6/5/85

May 31, 1985

MAY 1985 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

OPTIMISM FADES
CONFIDENCE REMAINS HIGH

* In the May 1985 survey, the Index of Consumer Sentiment was 91.8, down from 94.6 one month earlier, and 98.1 one year earlier. Although the May figure was the lowest level recorded in more than a year, and nearly 10-Index points below the 1984 cyclical peak, it nonetheless remained above the peak level recorded in the late 1970s.

* Among families with incomes of $25,000 or more, the Index stood at 100.3 in the May 1985 survey, down from 107.9 one month earlier, and 107.1 one year earlier.

* Attitudes toward buying conditions remained at very favorable levels in the May 1985 survey, although they receded from the all-time records set one month earlier. The widespread availability of discounted prices and interest rates has been the primary reason for the maintenance of favorable buying attitudes.

* Among all families, 40 percent reported improvement in their own financial situation in the May 1985 survey, below the cyclical peak of 48 percent recorded nine months earlier. The recent small decline was reflected in fewer reports of income increases. And because somewhat smaller increases in nominal incomes were expected during the year ahead, prospects for future improvement in families' financial situations were also somewhat less favorable. Nonetheless, personal financial evaluations remained at very favorable levels in the May survey.

* The majority of families in the May 1985 survey expected the performance of the economy to remain similar to last year's, and the majority thought that this would mean the continuation of good times financially in the economy as a whole. Future job prospects have been the primary concern underlying this outlook for slow economic growth. In the May 1985 survey, twice as many respondents expected increases rather than declines in the unemployment rate (28 versus 19 percent), although the majority (54 percent) expected the unemployment rate to remain approximately the same in the upcoming year.

* * *

Despite the small overall decline, consumer sentiment remained at very favorable levels in the May 1985 survey. The widespread availability of discounted prices and interest rates has maintained very positive buying attitudes.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

Buying Conditions

Favorable attitudes toward buying conditions for large household durables were held by 72 percent of all families in the May 1985 survey, down from the all time peak of 77 percent, recorded both one month and one year earlier. The recent decline was due to a small increase in unfavorable perceptions of market prices for household durables--an increase not large enough to offset overall favorable price perceptions. In the May 1985 survey, 34 percent of all families mentioned the availability of discounted prices, down from 37 percent one month earlier, but above the year earlier figure of 31 percent. Complaints about high prices for household durables were made by 11 percent of all families in May 1985, just above the 8 percent recorded one year earlier.

Favorable attitudes toward buying conditions for homes were held by 61 percent of all families in the May 1985 survey, down from 64 percent one month earlier, but above the 58 percent recorded one year earlier. The availability of good buys on homes was mentioned by 17 percent of all families in the May 1985 survey, unchanged from one month earlier, and above the 12 percent recorded in May 1984. Complaints about high housing prices were made by 14 percent of all families in the May survey, just above the year earlier figure of 12 percent. Compared with a year earlier, approximately the same number of respondents in the May 1985 survey made favorable references to mortgage interest rates (see Table A). However, more families mentioned the current availability of low mortgage rates in May 1985 (35,

up from 24 percent), while fewer respondents mentioned the advantage of borrowing-in-advance of expected increases in mortgage rates (8, down from 20 percent).

Attitudes toward current buying conditions for vehicles remained at very favorable levels in the May survey. Among all families, 65 percent held favorable views of car buying conditions in May, just below the all-time peak of 68 percent recorded one month earlier. Compared with one month earlier, fewer families mentioned the availability of discounted vehicle prices (from 28 to 24 percent), while more families mentioned the availability of discounted interest rates on vehicle loans (from 25 to 28 percent). Compared with a year earlier, more families reported both discounted prices (from 20 to 24 percent) and discounted interest rates (from 18 to 28 percent).

Personal Finances

Consumers' evaluations of their current financial situation remained at very favorable levels in the May 1985 survey, despite some weakening since mid 1984. Among all families in the May 1985 survey, 40 percent reported that their financial situation had improved, just below the 41 percent recorded in April, and the 44 percent recorded in May 1984. Importantly, the proportion of all families that reported a worsened financial situation in May (24 percent) remained low and largely unchanged from what it had been throughout the previous year. In comparison to the May figure, a higher proportion of families reported unfavorable changes in their financial situation in each of the surveys conducted from 1973 to 1983.

Nearly half (49 percent) of all families in the May 1985 survey expected their financial situation to remain approximately the same on balance during the year ahead. Among the other half of families, improvement rather than financial reversal was expected by more than a two-to-one margin (34 versus 14 percent). The 34 percent of families that expected financial improvements represents a drop from the year earlier figure of 40 percent. This small decline in financial prospects was based on the expectation of slower growth in nominal incomes. Among all families in the May 1985 survey, 57 percent expected income increases during the year ahead, down from 62 percent one year earlier. Not only did fewer families expect increases, but among those that expected increases, the size of the expected income increase declined. In the May 1985 survey, the proportion of families that expected income increases of 6% or more fell to 28 percent from 36 percent one year earlier, while the proportion that expected increases of 1-5% rose to 25 from 20 percent.

Business Conditions

The majority of consumers in the May 1985 survey thought that the economy had improved during the last year, and the majority expected economic conditions during the year ahead to remain similar to now. Among all families, 53 percent thought that the overall economy had improved during the past year, just above the 51 percent in April, but well below the 70 percent recorded one year earlier. When consumers were asked about recent economic developments, changes in job prospects dominated trends during the past year. In May of 1985, more families

reported hearing of increases of unemployment than of declines (21 versus 12 percent), the opposite of one year earlier (15 versus 18 percent).

The outlook for the year ahead is continued slow growth. In the May 1985 survey, 54 percent expected the overall performance of the economy to remain largely unchanged during the year ahead. Overall improvements in business conditions were expected more frequently than declines (27 versus 17 percent).

Despite the slowdown in economic growth, 55 percent of all consumers expected the overall economy to be characterized by good times financially during the next twelve months, down from 58 percent one month earlier, and 60 percent one year earlier. Favorable business conditions in the economy as a whole were expected over the next five years by 40 percent of all families in the May 1985 survey, between the 39 percent recorded one month earlier and the 43 percent recorded one year earlier.

* * *

The May 1985 survey included 661 completed interviews, conducted between May 1 and May 24, 1985.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT
OF FAVORABLE BUYING CONDITIONS

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1980	1%	2%	na	na	1%	1%
February 1980	1	2	2%	7%	1	2
March 1980	1	4	na	na	1	2
April 1980	*	3	*	3	3	1
May 1980	*	2	3	3	*	1
June 1980	2	1	14	2	2	1
July 1980	4	1	17	6	2	1
August 1980	3	2	19	9	3	1
September 1980	1	2	11	11	2	2
October 1980	1	3	6	10	1	2
November 1980	*	2	2	8	1	2
December 1980	1	2	1	5	2	2
January 1981	*	2	1	3	4	1
February 1981	1	2	2	5	2	1
March 1981	1	*	1	4	1	1
April 1981	*	2	3	6	2	1
May 1981	1	2	4	3	3	1
June 1981	*	1	1	4	2	1
July 1981	1	1	2	4	2	1
August 1981	2	1	3	5	4	1
September 1981	*	1	3	3	4	2
October 1981	*	1	1	3	4	*
November 1981	1	1	2	2	5	*
December 1981	1	1	4	2	4	1
January 1982	2	1	5	3	4	2
February 1982	1	1	4	3	3	*
March 1982	*	1	3	2	3	*
April 1982	1	*	4	2	7	*
May 1982	2	1	3	3	10	1
June 1982	1	1	5	2	6	1
July 1982	1	1	2	2	4	1
August 1982	1	1	3	4	5	1
September 1982	3	1	16	4	9	1
October 1982	4	1	19	4	10	1
November 1982	5	*	25	5	19	1
December 1982	6	2	30	5	26	1

Survey Date	Durables		Houses[a]		Vehicles	
	Low Rates	BiA Rates	Low Rates	BiA Rates	Low Rates	BiA Rates
January 1983	7	*	33	4	27	2
February 1983	7%	1%	35%	5%	34%	1%
March 1983	7	1	38	6	33	1
April 1983	12	2	46	8	38	2
May 1983	12	1	49	6	38	2
June 1983	13	3	49	12	38	2
July 1983	14	2	40	9	34	3
August 1983	11	1	33	11	30	3
September 1983	9	3	35	12	25	3
October 1983	6	1	29	9	17	2
November 1983	6	2	29	11	20	2
December 1983	6	1	30	11	16	3
January 1984	8	1	33	8	20	3
February 1984	9	2	38	12	19	3
March 1984	8	2	36	13	19	3
April 1984	8	6	29	23	15	7
May 1984	7	4	24	20	14	4
June 1984	7	4	21	17	12	6
July 1984	5	5	21	16	16	8
August 1984	6	2	22	13	12	5
September 1984	6	2	22	12	11	4
October 1984	7	4	24	11	10	4
November 1984	8	3	33	11	15	3
December 1984	8	2	32	6	12	3
January 1985	10	1	42	7	21	2
February 1985	9	2	42	8	23	1
March 1985	8	2	38	10	21	2
April 1985	10	3	34	13	22	3
May 1985	9	2	35	8	25	3

*Less than 0.5 percent.

[a]Also includes homes, home repairs and real estate.

NOTE: The proportions given above provide greater detail than is reported in the monthly tables (see Tables 27, 29 and 31). The monthly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to buying-in-advance of rising interest rates.

7/9/85

U7475-2A

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JUNE 1985

The June 1985 survey is the 201st in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

© University of Michigan, 1985

TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

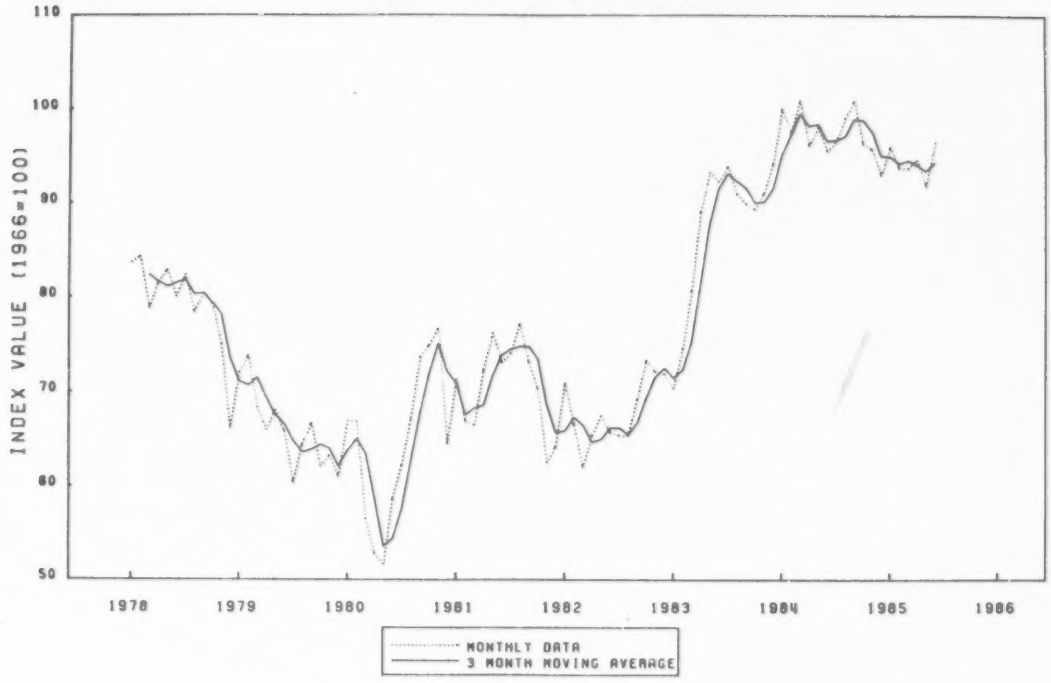


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT

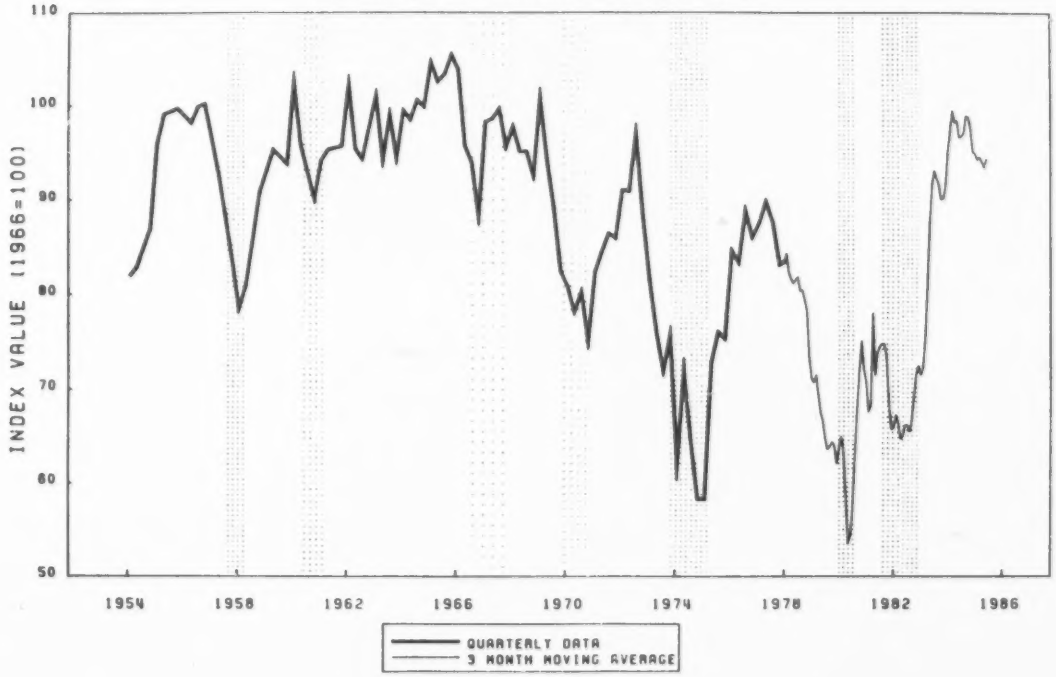


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3
October 1983	89.3	99.5	101.9
November 1983	91.1	97.2	98.8
December 1983	94.2	101.7	104.5
January 1984	100.1	112.0	114.2
February 1984	97.4	109.6	111.2
March 1984	101.0	110.9	114.2
April 1984	96.1	103.9	105.5
May 1984	98.1	105.6	107.1
June 1984	95.5	104.4	104.5
July 1984	96.6	103.2	102.8
August 1984	99.1	106.7	109.2
September 1984	100.9	109.7	111.7
October 1984	96.3	106.2	107.7
November 1984	95.7	108.6	111.0
December 1984	92.9	99.2	100.1
January 1985	96.0	104.1	106.7
February 1985	93.7	105.4	107.4
March 1985	93.7	106.5	108.8
April 1985	94.6	102.8	107.9
May 1985	91.8	99.5	100.3
June 1985	96.5	101.2	104.3

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

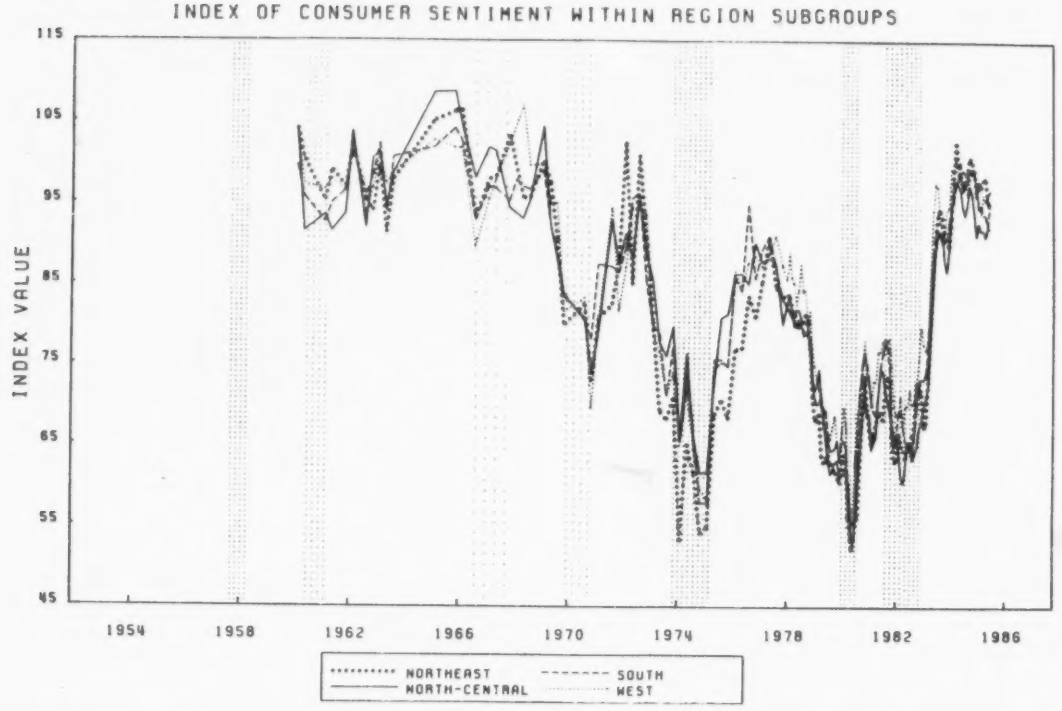


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

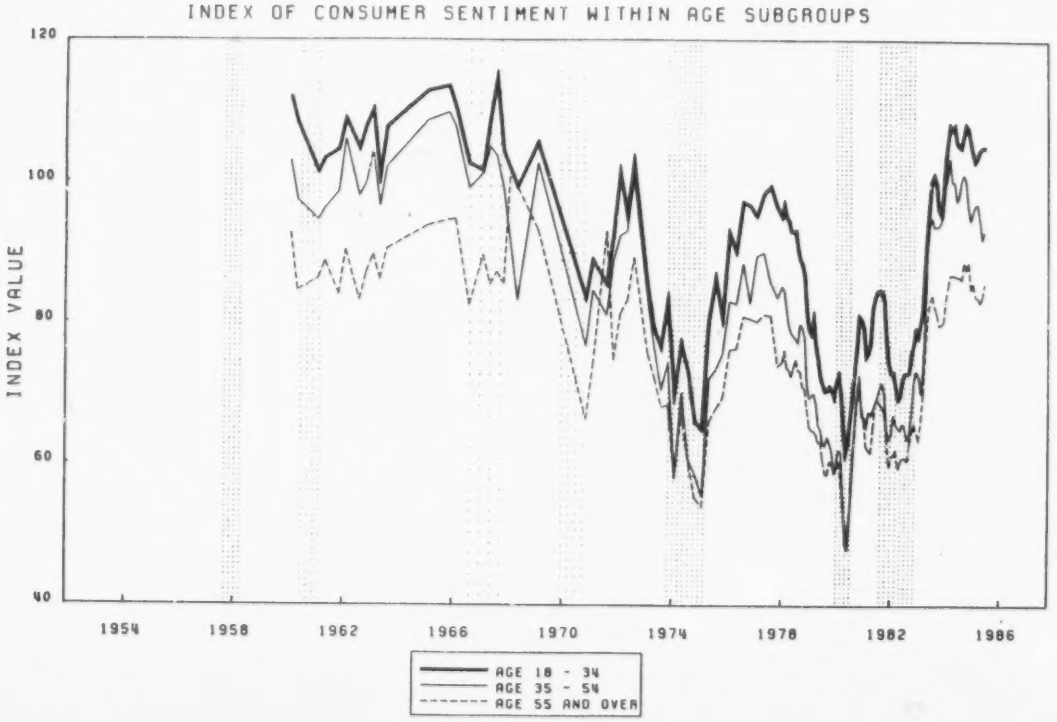


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
June 1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July 1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	66.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9
October 1983	89.9	83.7	91.5	93.5	94.2	93.8	77.8
November 1983	87.7	88.3	91.5	98.5	97.2	94.6	80.7
December 1983	91.4	96.2	95.2	92.2	102.3	97.5	81.8
January 1984	100.7	96.8	97.5	107.5	107.9	106.0	87.4
February 1984	102.3	98.4	93.5	97.1	106.2	98.9	86.5
March 1984	104.8	98.5	102.1	97.5	109.9	105.2	86.6
April 1984	92.5	95.3	98.2	99.3	106.5	95.9	87.0
May 1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June 1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July 1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August 1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September 1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.7	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

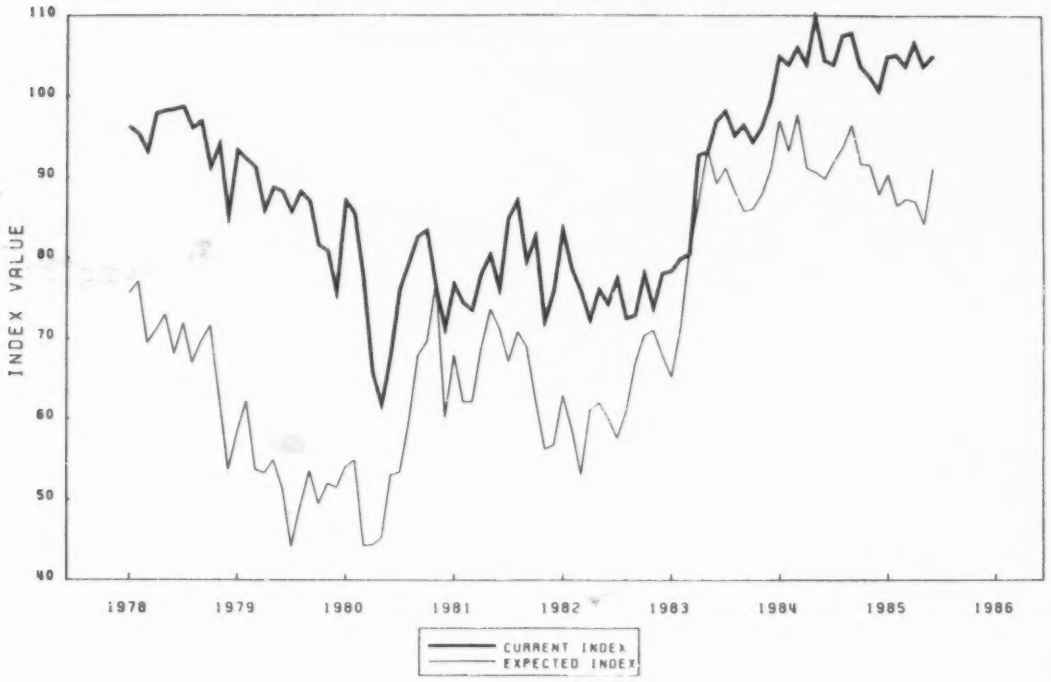


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

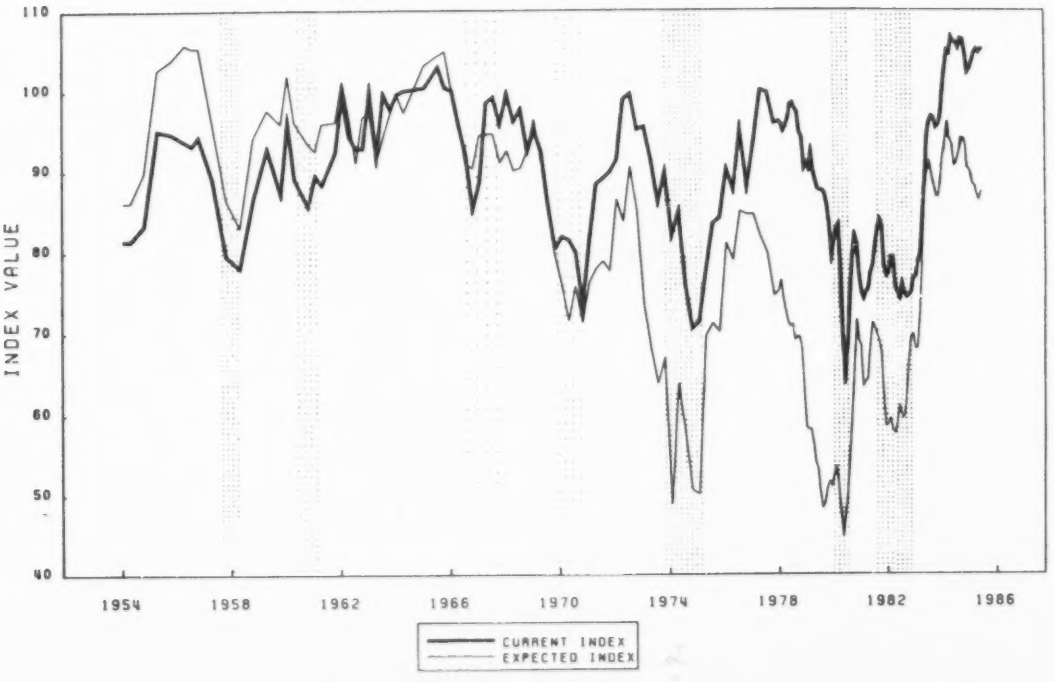


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8
October 1983	104	124	124	98	140	94.3	86.1
November 1983	111	127	129	98	138	96.1	87.9
December 1983	123	125	140	102	134	99.3	91.0
January 1984	117	129	154	108	155	104.9	97.0
February 1984	119	130	139	106	151	103.9	93.2
March 1984	122	135	146	113	153	106.0	97.7
April 1984	117	124	136	106	153	103.9	91.1
May 1984	121	129	131	105	164	109.8	90.6
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

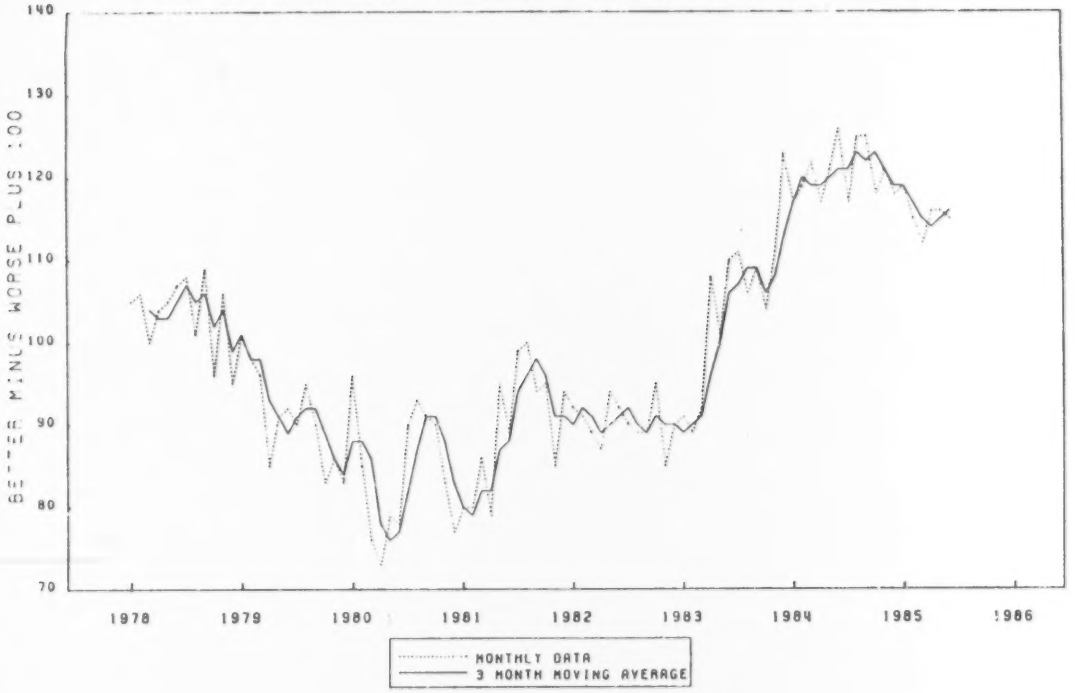


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

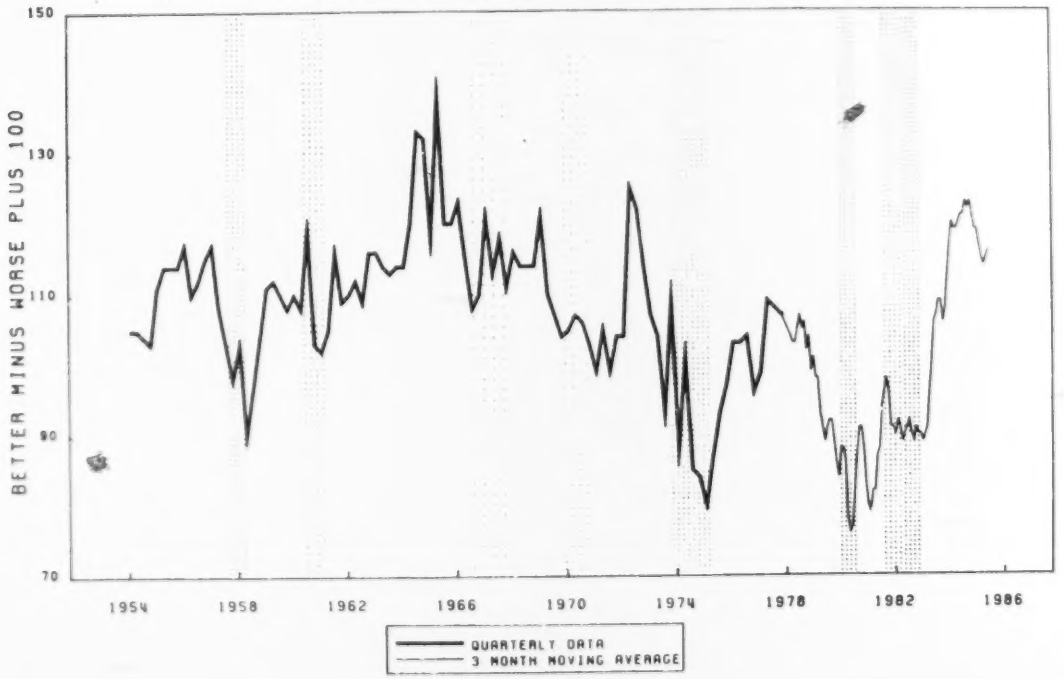


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
BETTER OFF	47%	42%	48%	45%	44%	46%	44%	42%	42%	40%	41%	40%	43%
SAME	31	33	29	35	30	29	30	35	31	32	34	36	29
WORSE OFF	21	25	23	20	26	25	26	23	27	28	25	24	28
DK,NA	1	*	*	*	*	*	*	*	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

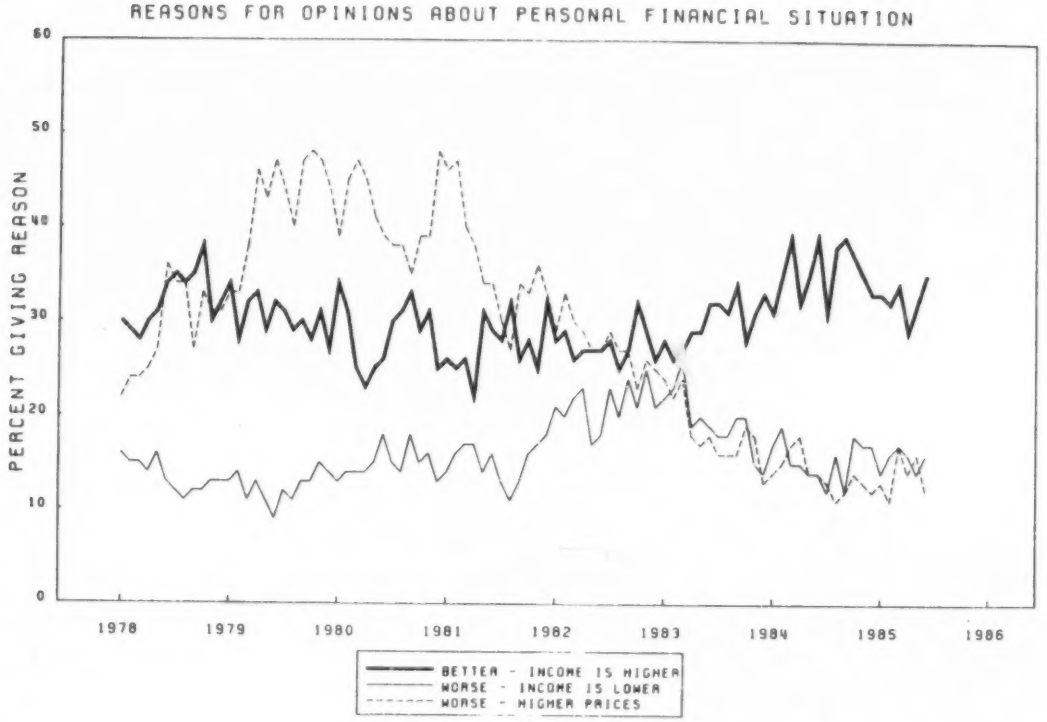


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

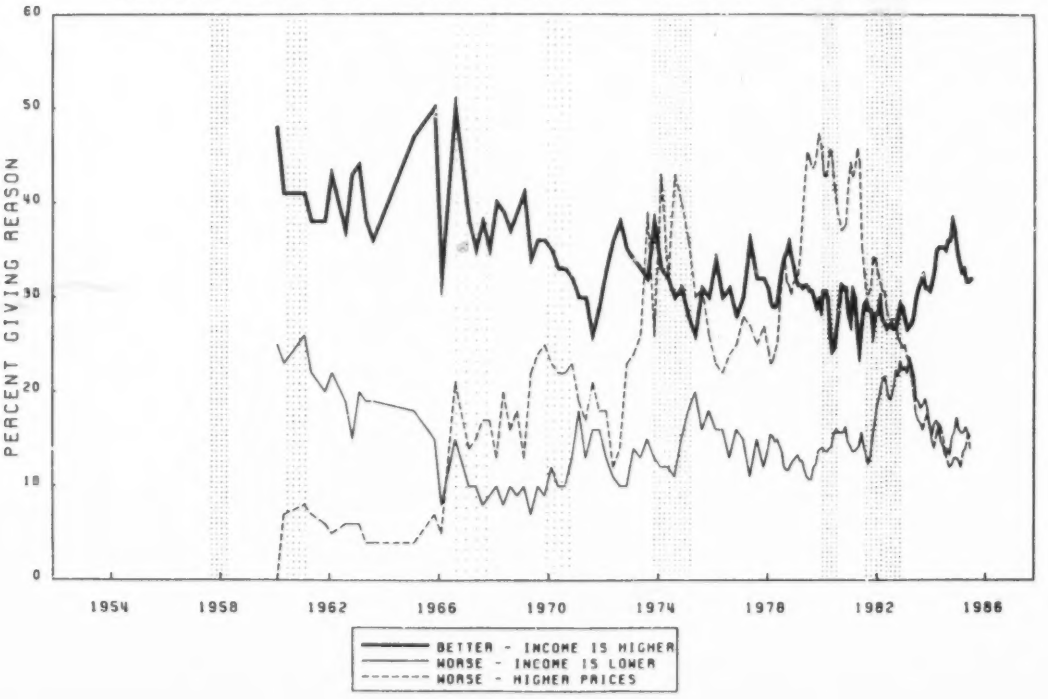


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
BETTER OFF THAN YEAR AGO:													
Income is higher	39%	31%	38%	39%	37%	35%	33%	33%	32%	34%	29%	32%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	12	16	12	18	17	17	14	16	17	16	14	16
Higher prices	14	13	11	12	14	13	12	13	11	17	14	16	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

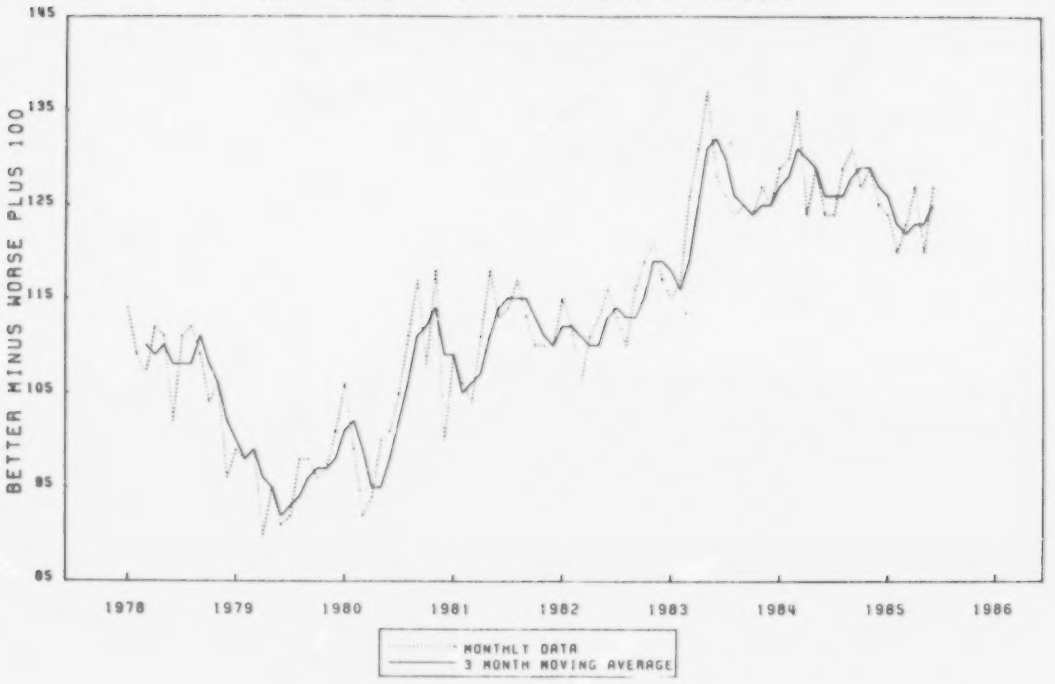


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

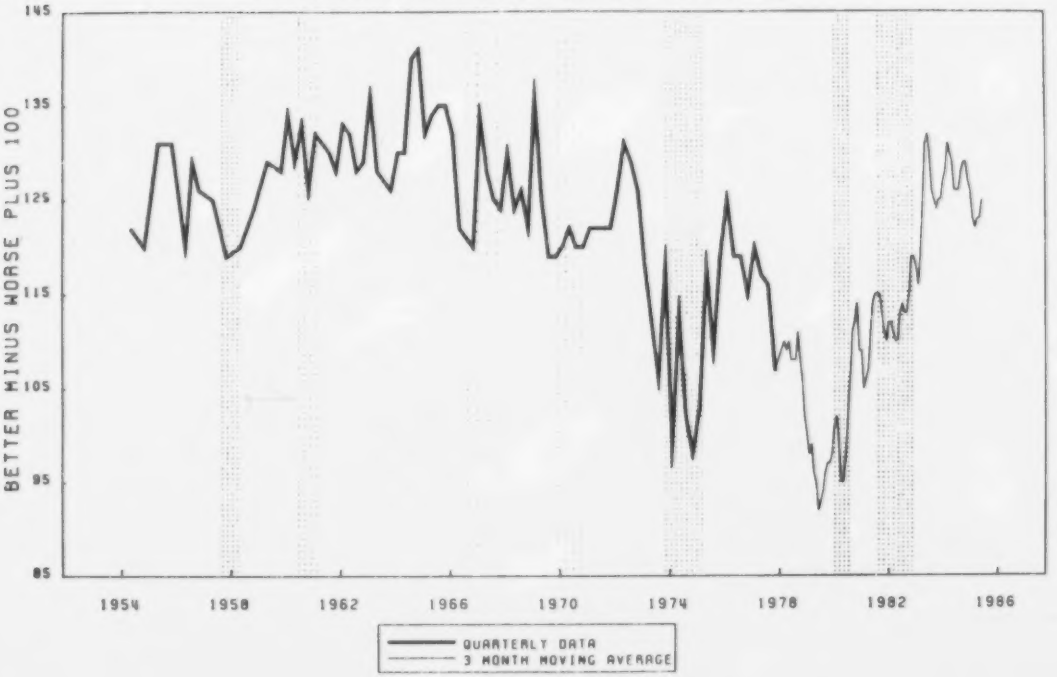


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
BETTER OFF	35%	34%	38%	39%	38%	39%	36%	35%	33%	36%	37%	34%	36%
SAME	52	51	49	49	47	48	50	52	50	49	49	49	52
WORSE OFF	11	10	9	8	11	10	11	11	13	13	10	14	9
DK,NA	2	5	4	4	4	3	3	2	4	2	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

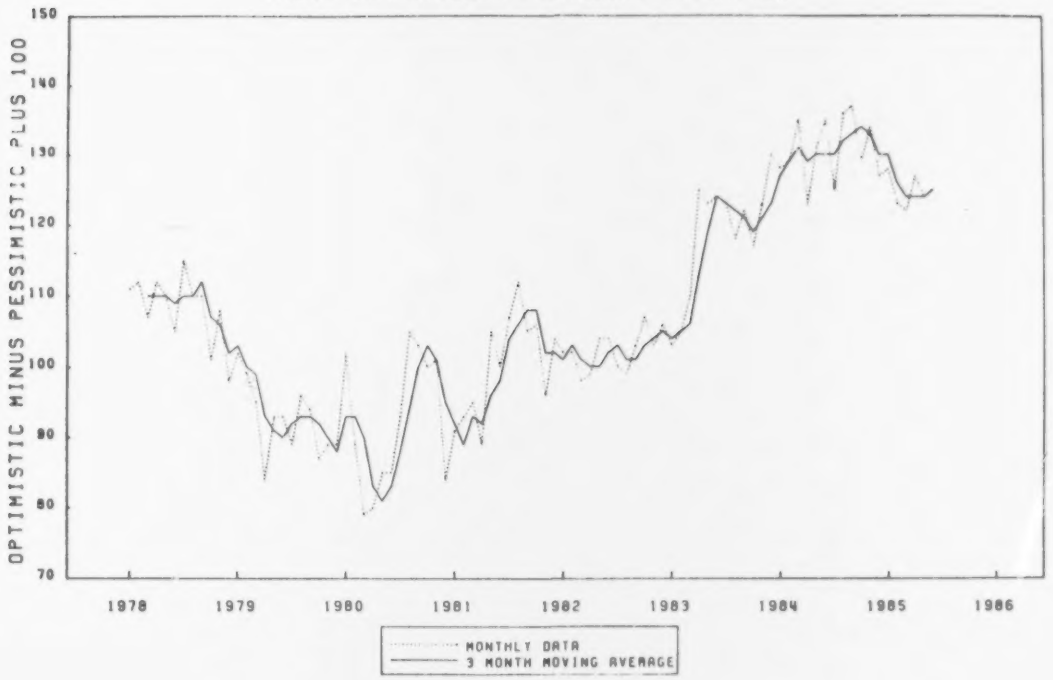


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

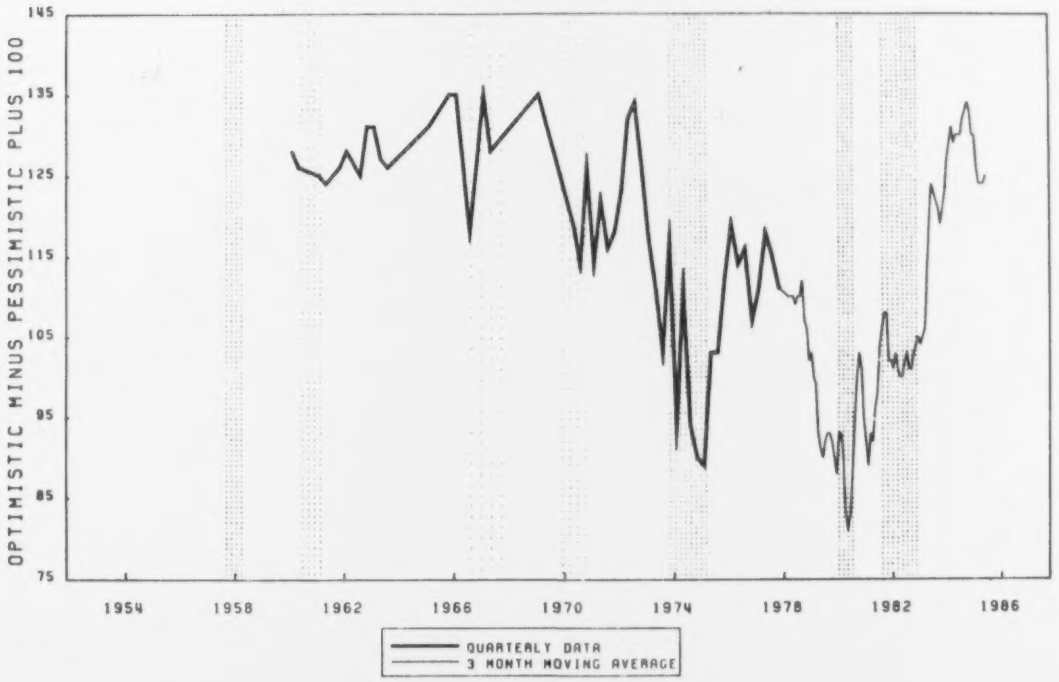


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	20%	22%	24%	25%	21%	21%	23%	19%	20%	20%	22%	20%	22%
Intermittent increase (b)	32	24	30	28	28	32	25	28	24	26	26	26	25
Remain unchanged (c)	19	21	17	20	17	15	19	22	20	18	20	21	19
Intermittent decline (d)	12	16	13	12	15	14	15	15	15	18	16	16	17
Continuous decline (e)	5	5	5	4	5	5	6	4	6	6	5	6	5
Mixed change (f)	10	7	8	7	10	10	9	9	12	10	8	8	9
DK,NA	2	5	3	4	4	3	3	3	3	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	651	652

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

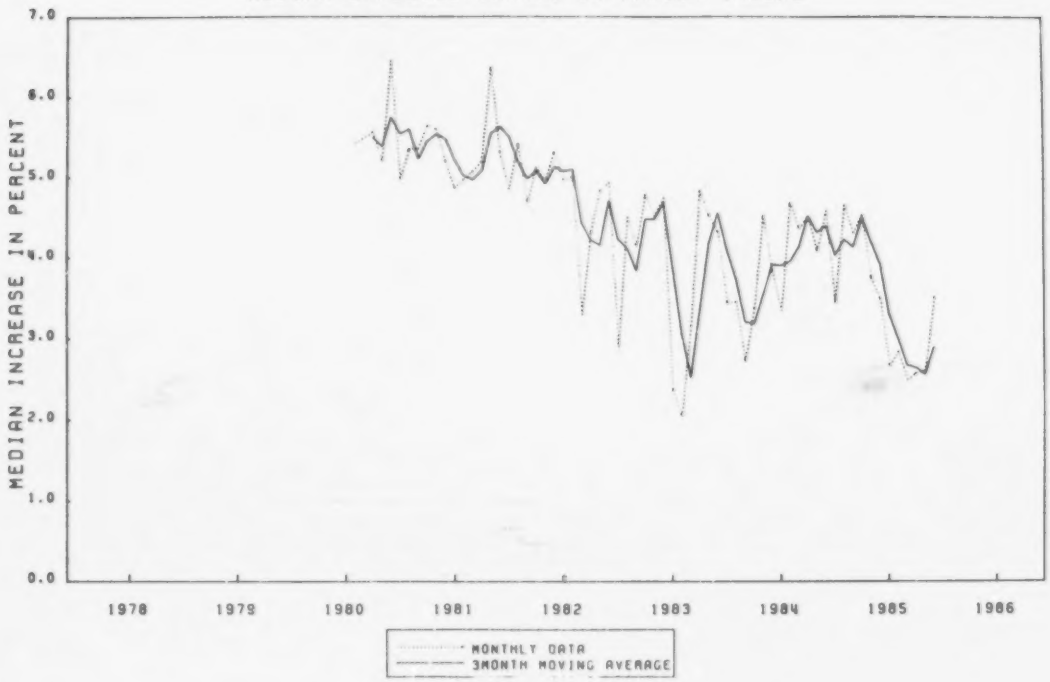


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

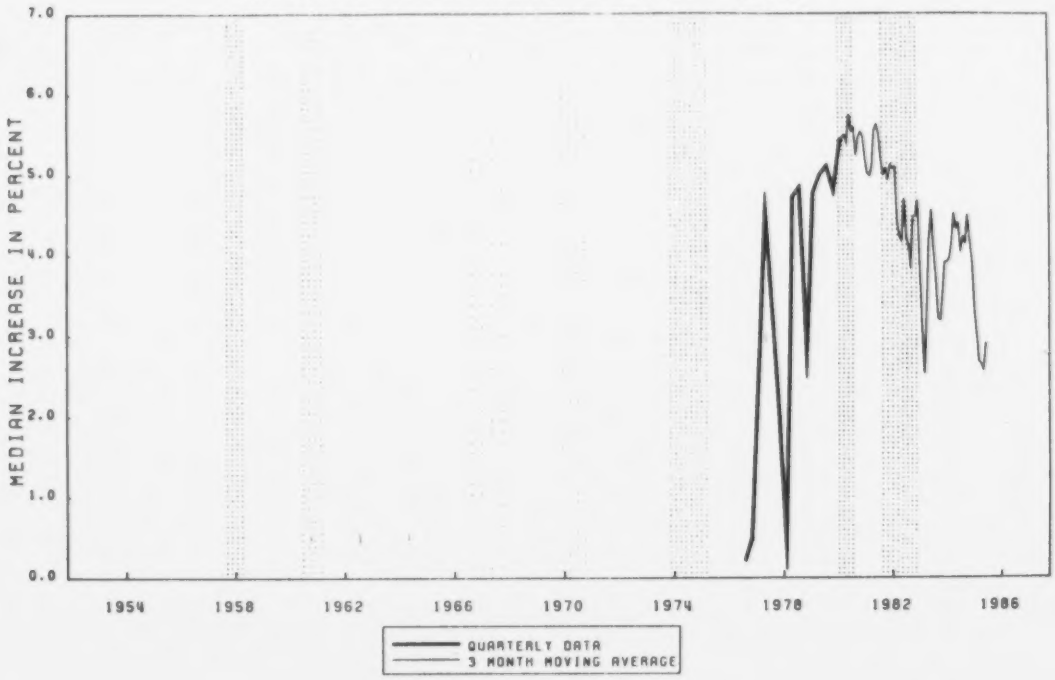


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
EXPECT INCREASE:													
1-4%	12%	17%	13%	15%	10%	13%	12%	12%	14%	12%	11%	16%	11%
5%	11	12	11	10	10	9	10	9	11	11	9	9	11
6-9%	12	8	11	10	8	7	8	9	6	7	7	5	7
10-24%	17	17	18	18	20	19	17	17	16	13	17	16	16
25% or more	7	6	7	7	8	8	7	6	7	8	8	7	10
DK how much up	3	4	3	4	5	6	7	3	3	4	3	4	4
EXPECT SAME	24	23	24	23	25	23	23	27	26	29	30	28	26
EXPECT DOWN	11	11	11	11	12	13	15	16	16	15	14	13	14
DK,NA	3	2	2	2	2	2	1	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

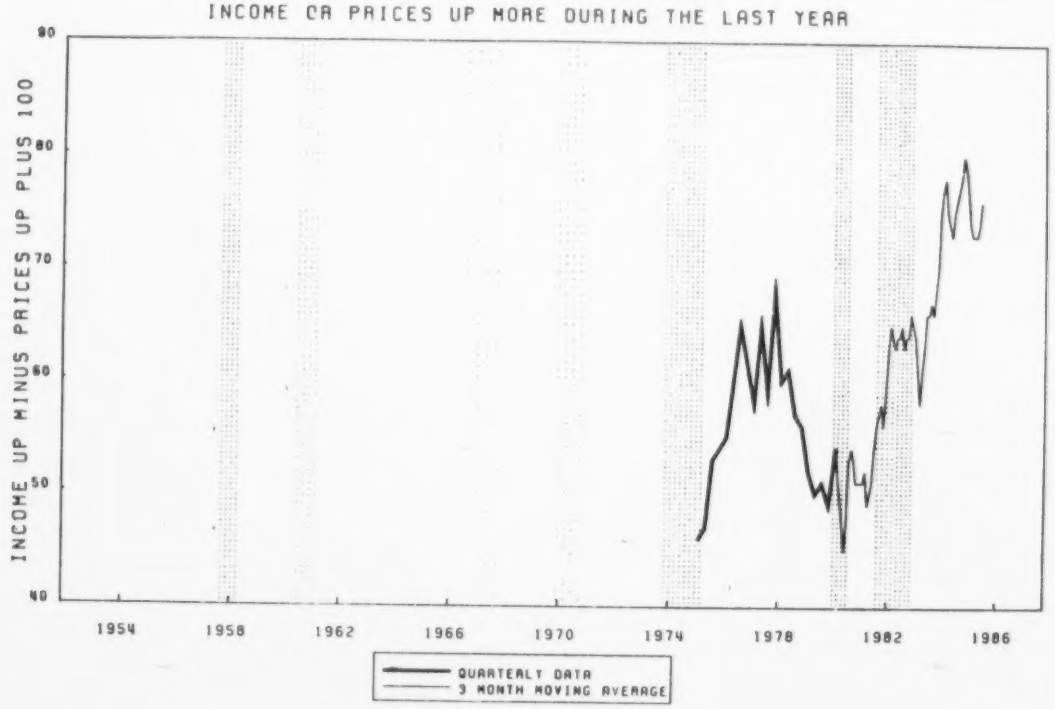


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
INCOME UP MORE	21%	21%	21%	22%	25%	21%	19%	16%	19%	19%	18%	22%	22%
INCOME UP SAME	34	33	34	36	31	31	35	40	34	35	34	32	35
PRICES UP MORE	43	45	43	42	42	46	45	43	46	45	47	45	41
DK,NA	2	1	2	*	2	2	1	1	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

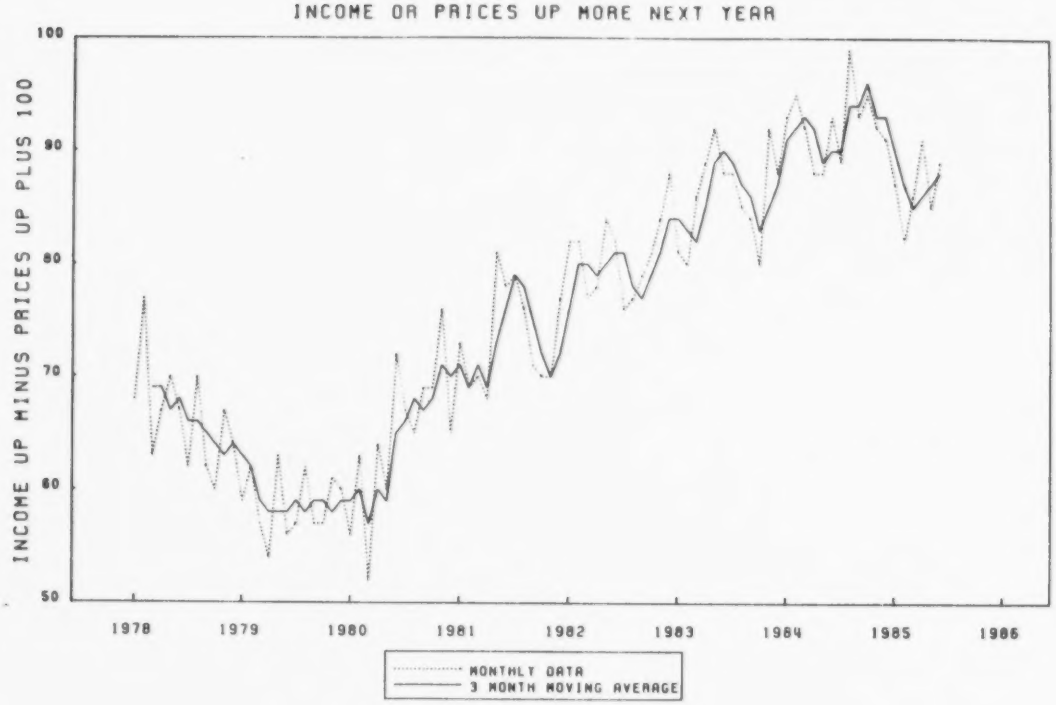


CHART 10 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

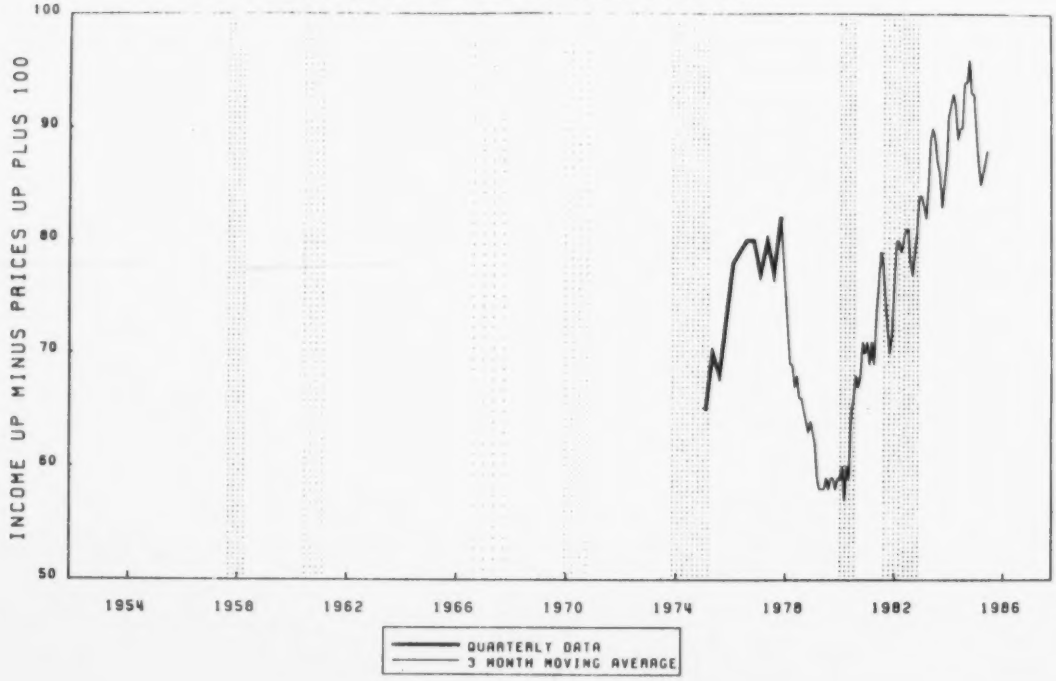


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
INCOME UP MORE	22%	22%	25%	23%	25%	23%	21%	20%	20%	18%	23%	22%	19%
INCOME UP SAME	47	41	45	44	43	44	46	45	40	49	42	39	48
PRICES UP MORE	29	33	26	30	30	31	30	33	38	32	32	37	30
DK,NA	2	4	4	3	2	2	3	2	2	1	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

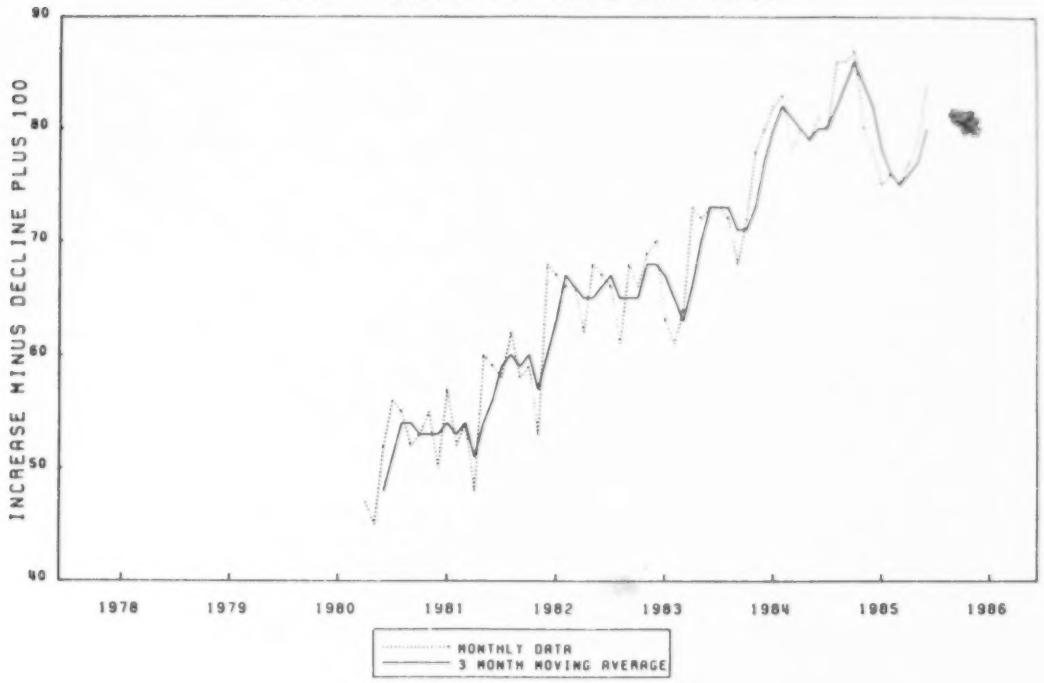


CHART 11 - HISTORICAL SERIES

TREND IN INCOME AND PRICE COMPARISON

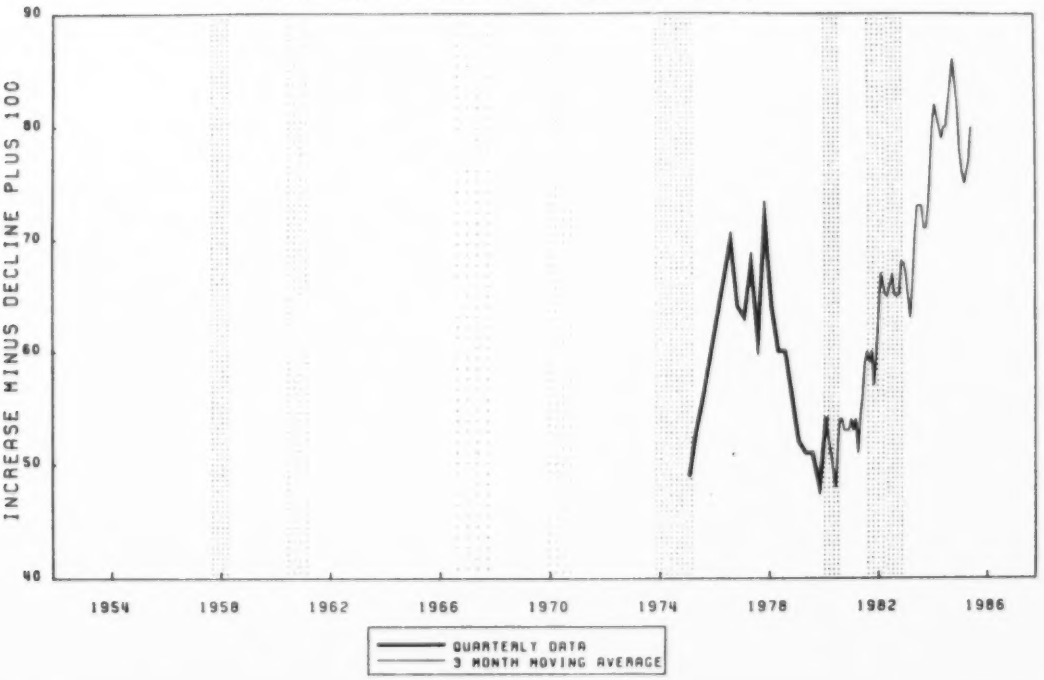


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
REAL INCOME PROGRESS:													
Continuous increase (a)	11%	10%	12%	12%	14%	12%	10%	8%	10%	9%	11%	12%	9%
Intermittent increase (b)	13	14	15	16	14	14	12	13	14	14	11	13	17
Remain unchanged (c)	22	20	21	22	20	19	23	24	20	23	22	20	22
Intermittent decline (d)	23	20	22	20	18	22	22	23	19	24	20	18	20
Continuous decline (e)	20	24	19	22	23	24	22	23	29	24	25	28	22
Mixed change (f)	8	8	6	5	7	6	8	6	6	4	7	7	6
DK,NA	3	4	5	3	4	3	3	3	2	2	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

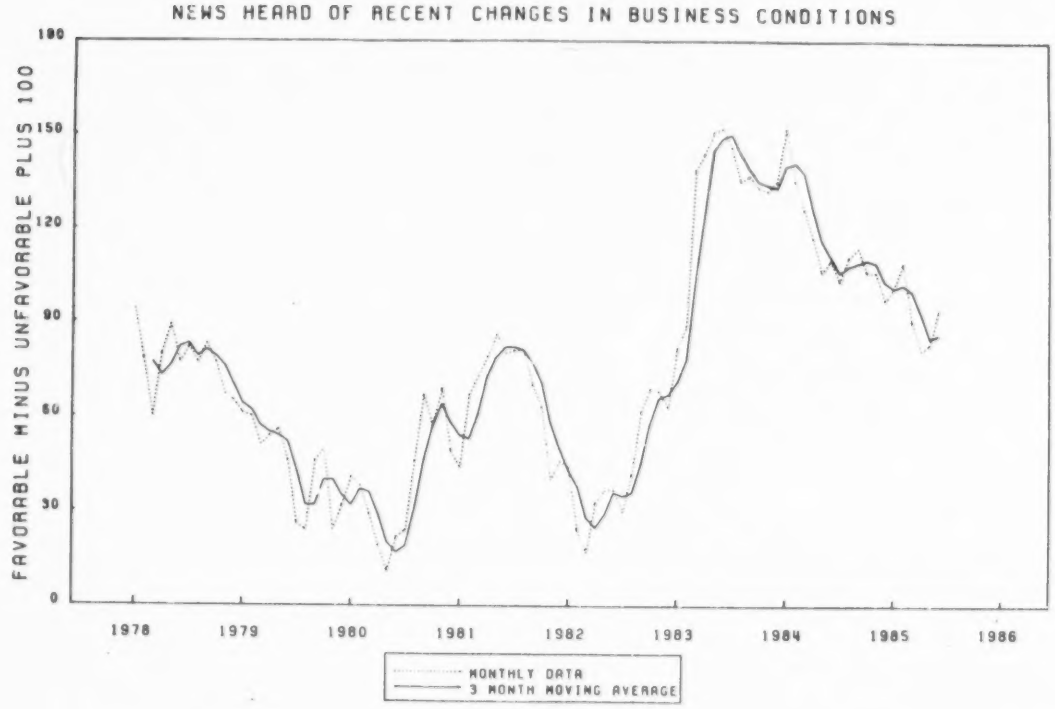


CHART12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

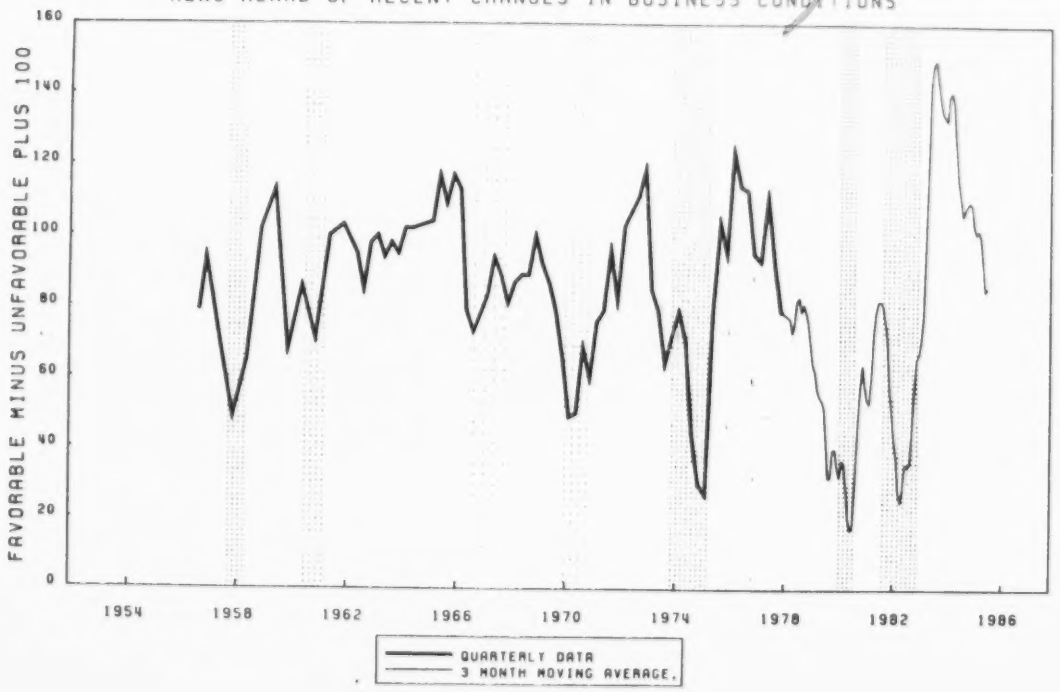


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
FAVORABLE NEWS	50%	42%	51%	52%	44%	41%	39%	43%	50%	35%	30%	30%	37%
UNFAVORABLE NEWS	40	39	40	38	38	35	42	42	41	45	49	47	43
NO MENTIONS	41	46	39	41	44	49	46	44	41	48	49	48	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

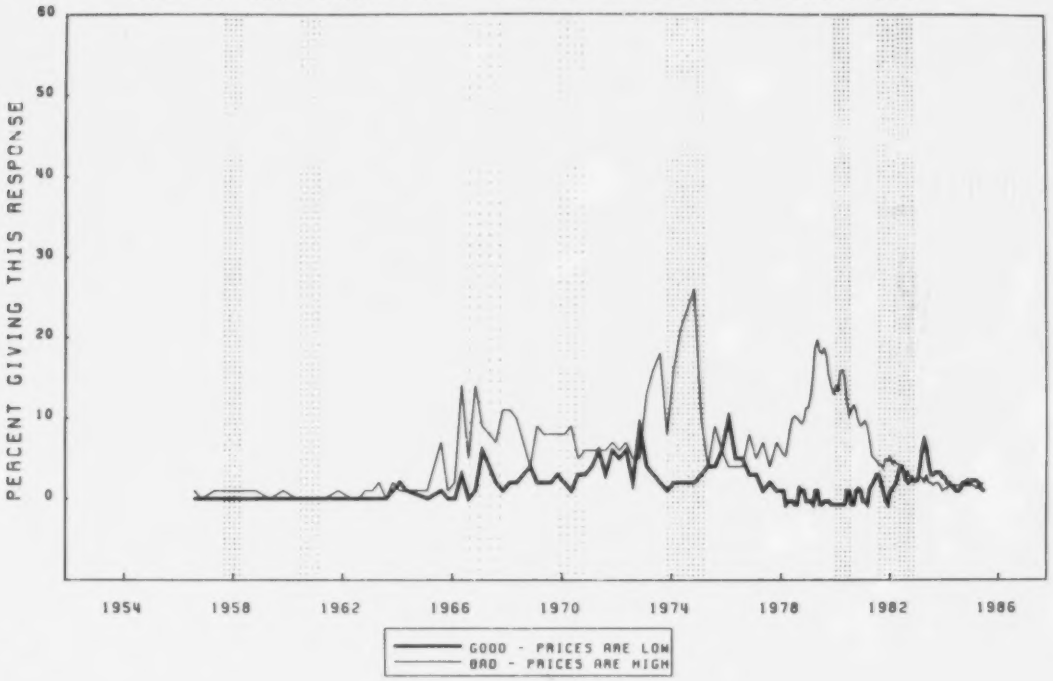


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

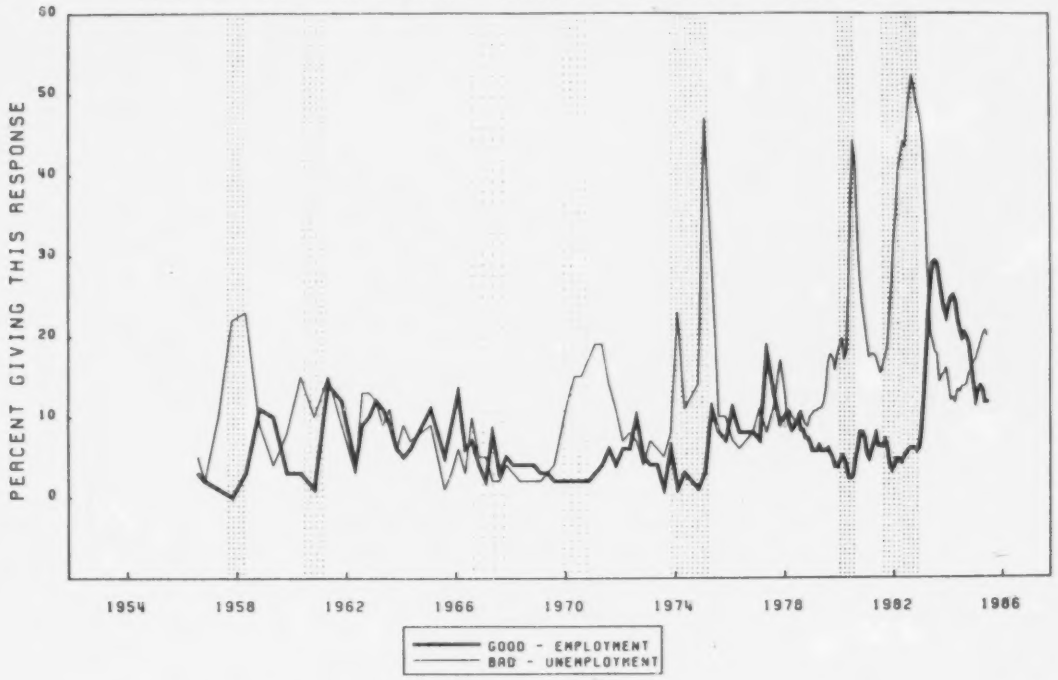


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
FAVORABLE NEWS:													
Government; elections	2%	2%	2%	3%	1%	2%	3%	4%	3%	2%	1%	2%	5%
Employment	21	20	20	19	18	13	11	12	17	12	11	12	12
Consumer demand high	8	4	7	7	5	4	5	5	5	5	3	3	4
Prices are low	1	1	2	3	1	3	2	2	3	2	1	1	1
Credit is easy	3	2	4	3	4	8	9	10	9	5	4	3	7
UNFAVORABLE NEWS:													
Government; elections	2	4	4	4	3	3	6	5	6	5	5	4	6
Unemployment	13	13	15	14	17	16	17	18	19	20	21	21	18
Consumer demand low	1	2	2	2	1	2	3	3	3	2	3	3	3
Prices are high	2	1	2	2	1	2	2	1	2	1	2	2	2
Credit is tight	12	13	9	6	5	3	2	2	1	2	2	2	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

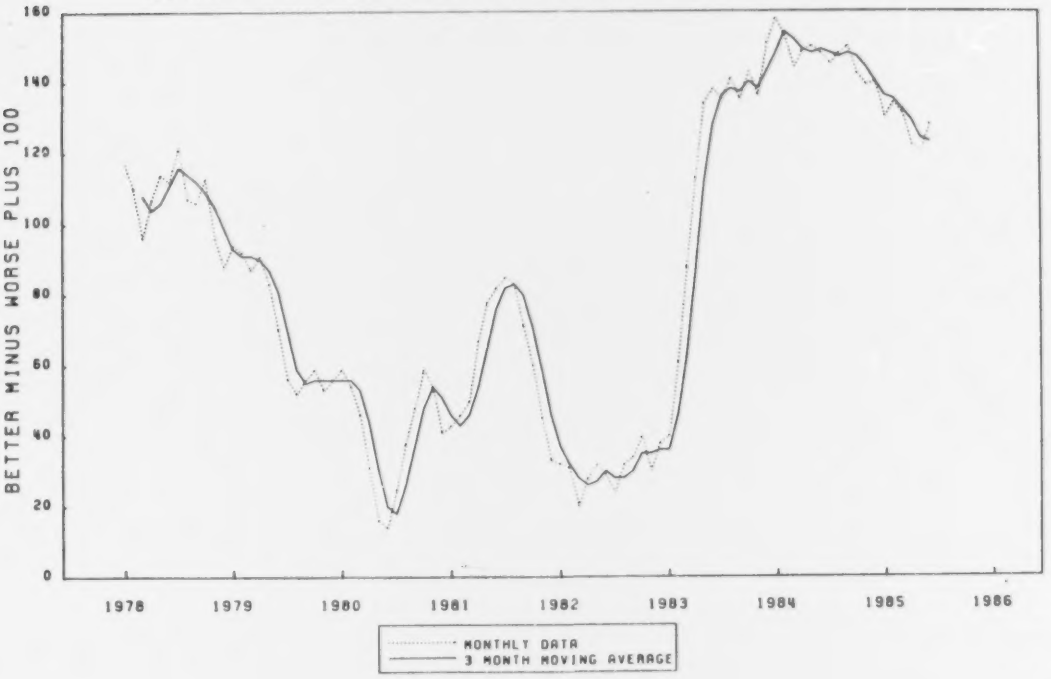


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

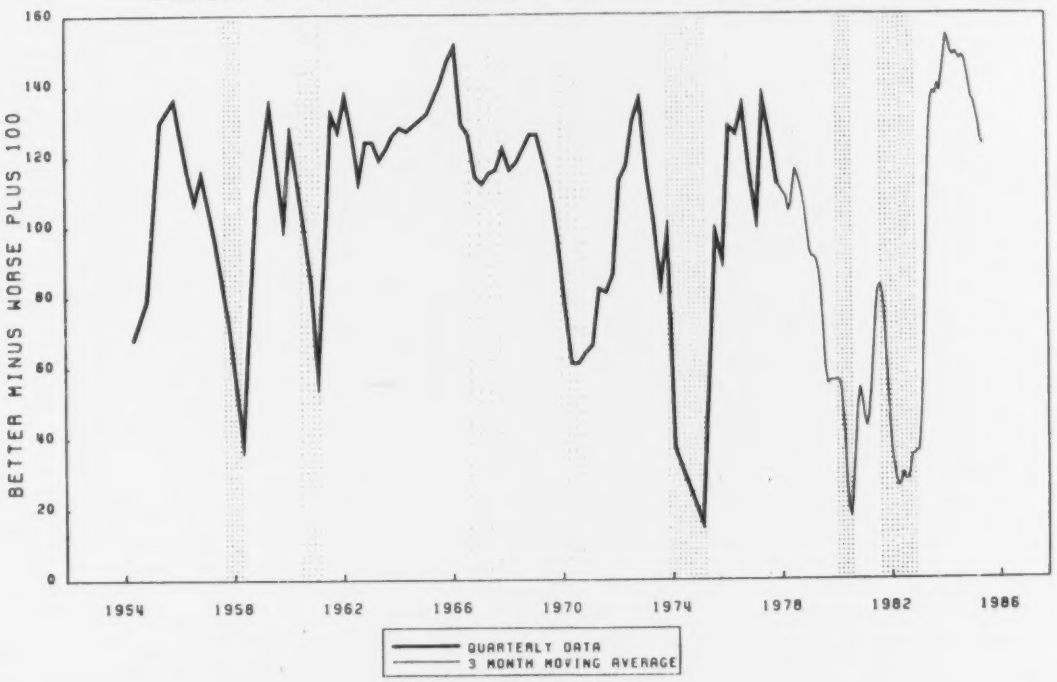


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
BETTER NOW	67%	67%	68%	68%	65%	63%	63%	57%	60%	57%	51%	53%	56%
SAME	12	9	11	12	10	12	13	14	12	15	17	13	14
WORSE NOW	19	22	20	18	23	24	23	27	26	26	29	33	28
DK,NA	2	2	1	2	2	1	1	2	2	2	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

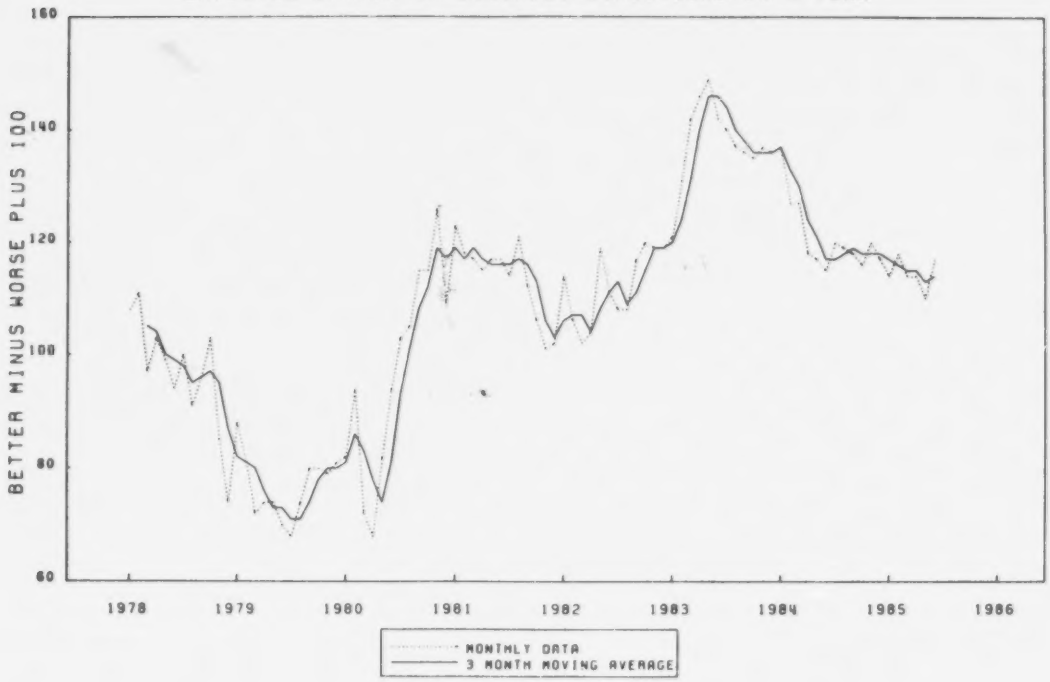


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

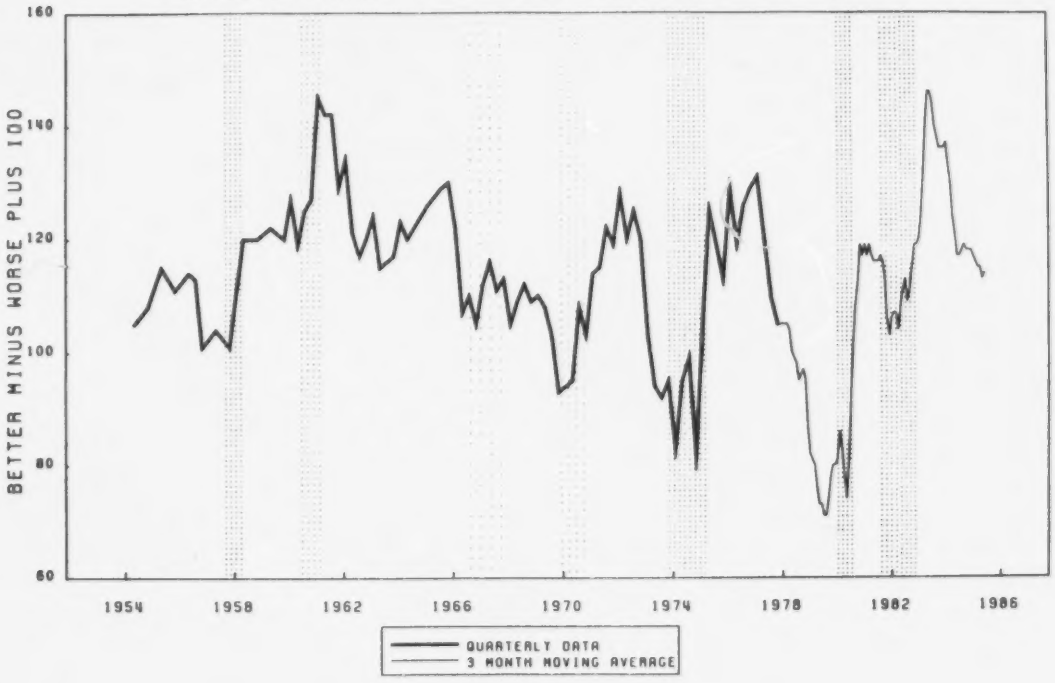


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
BETTER	30%	32%	33%	33%	32%	35%	33%	29%	33%	29%	29%	27%	29%
SAME	53	51	49	48	49	48	47	55	50	53	53	54	57
WORSE	15	12	14	15	16	15	16	15	15	15	15	17	12
DK,NA	2	5	4	4	3	2	4	1	2	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

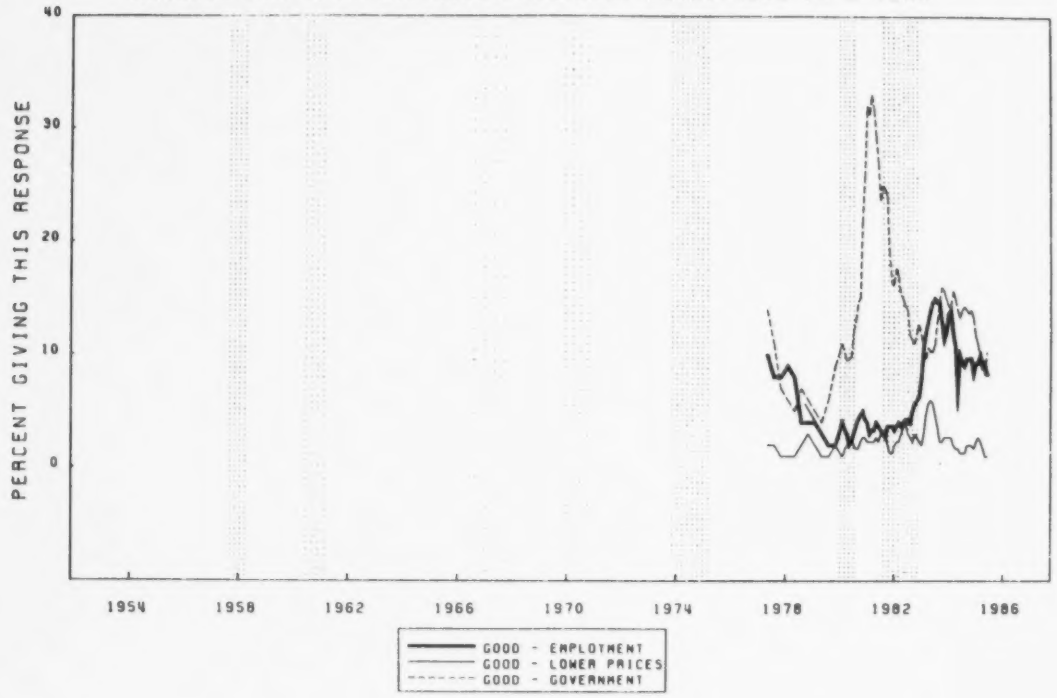


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

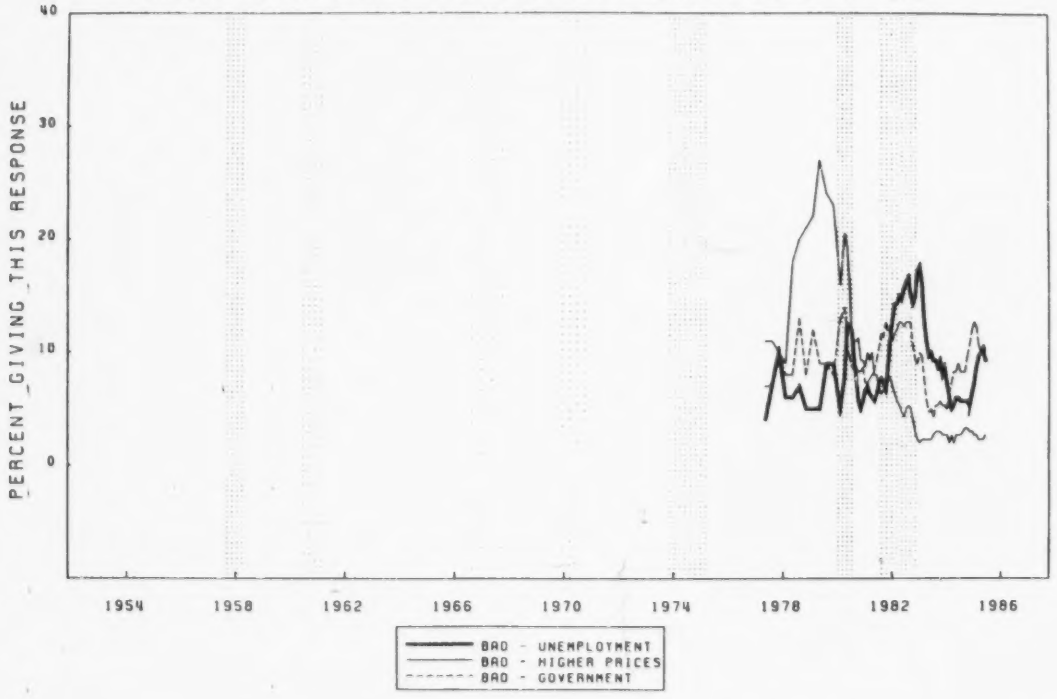


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
FAVORABLE REASONS:													
Government; elections	15%	15%	13%	14%	14%	14%	12%	9%	12%	8%	9%	8%	14%
Employment	10	9	8	12	9	8	8	12	8	10	9	9	7
Higher consumer demand	4	5	5	2	2	5	4	4	4	5	5	4	5
Lower prices	1	1	2	3	1	2	2	3	3	1	1	1	1
Easier credit	2	4	4	4	3	5	6	4	4	4	3	2	6
UNFAVORABLE REASONS:													
Government; elections	11	5	9	11	9	12	15	11	11	10	9	13	9
Unemployment	5	6	6	5	6	5	8	9	9	11	10	10	8
Lower consumer demand	2	2	3	2	2	3	4	2	2	4	4	4	2
Higher prices	2	3	4	3	3	3	3	2	3	2	2	3	3
Tighter credit	8	7	5	4	4	3	3	4	3	2	2	1	1
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

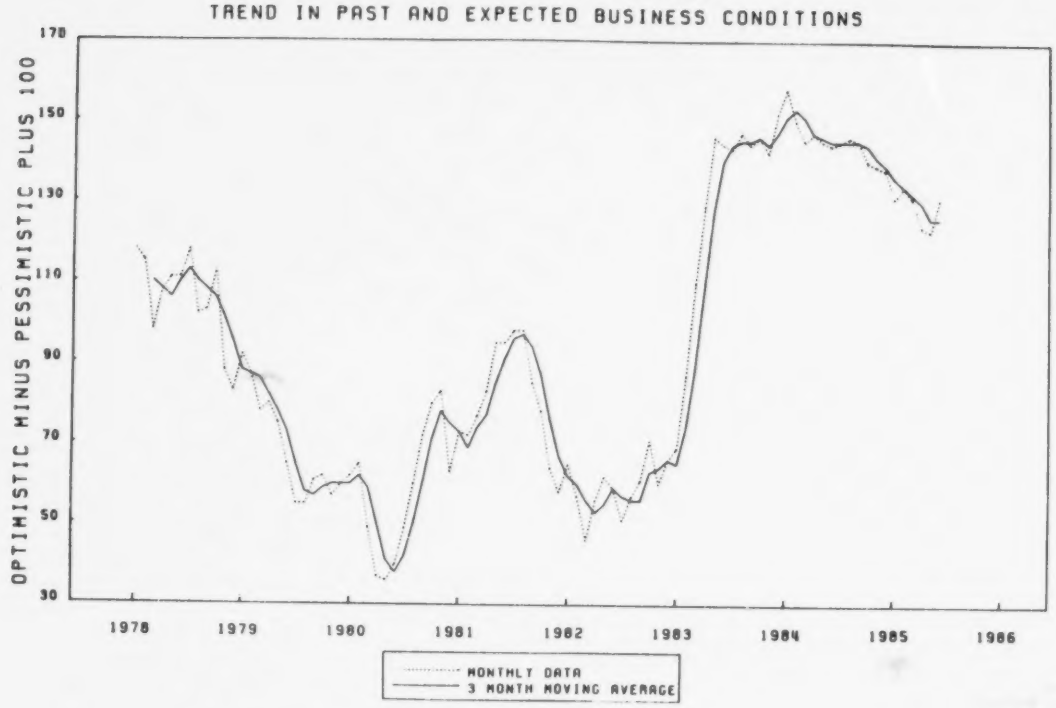


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

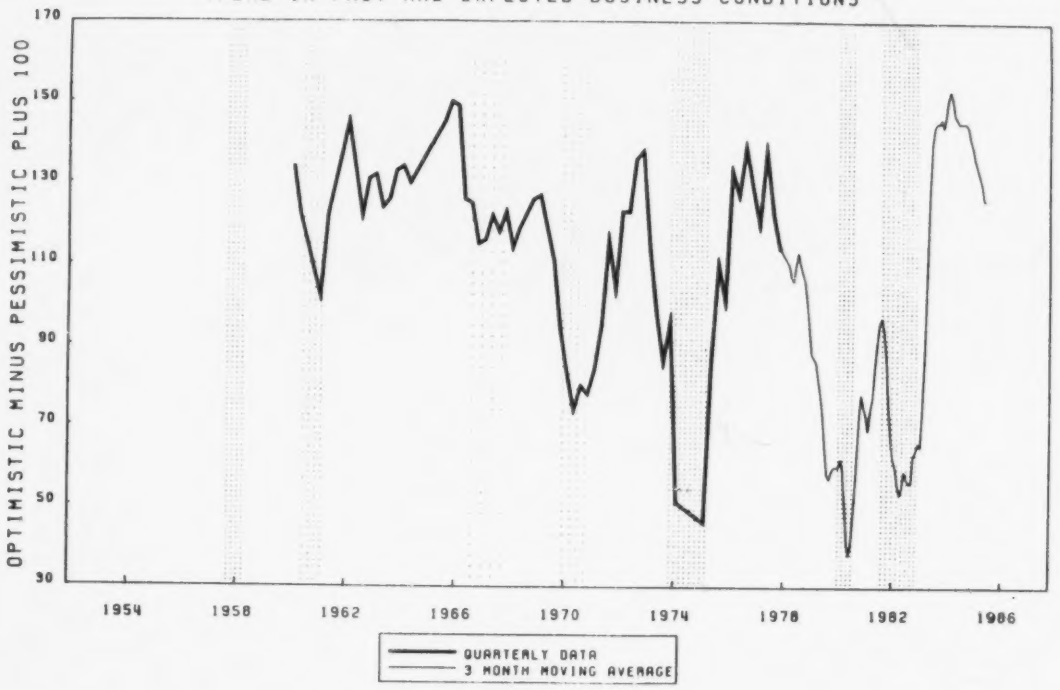


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
TREND:													
Continuous increase (a)	25%	25%	25%	27%	24%	28%	27%	21%	26%	22%	21%	18%	22%
Intermittent increase (b)	37	38	36	35	36	32	32	36	31	33	29	34	34
Remain unchanged (c)	7	4	6	6	5	6	7	8	7	9	11	8	9
Intermittent decline (d)	11	12	10	11	12	14	13	17	15	15	18	18	17
Continuous decline (e)	7	6	5	6	8	7	8	9	8	9	8	11	8
Mixed change (f)	9	9	12	10	10	9	9	7	9	8	8	8	6
DK,NA	4	6	6	5	5	4	4	2	4	4	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

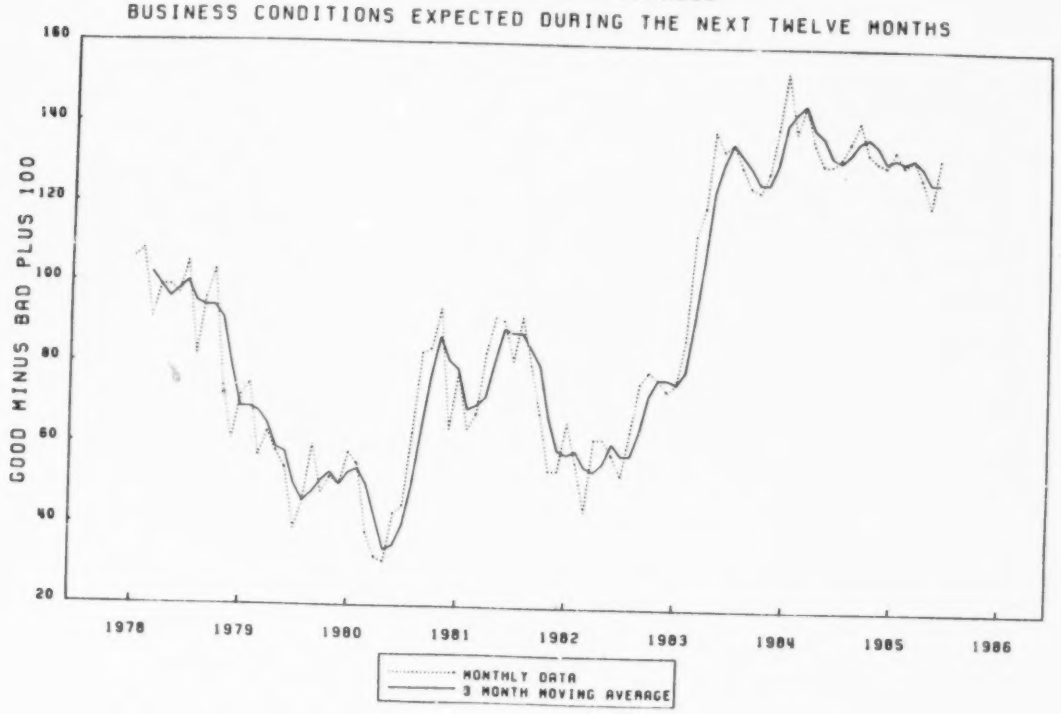


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

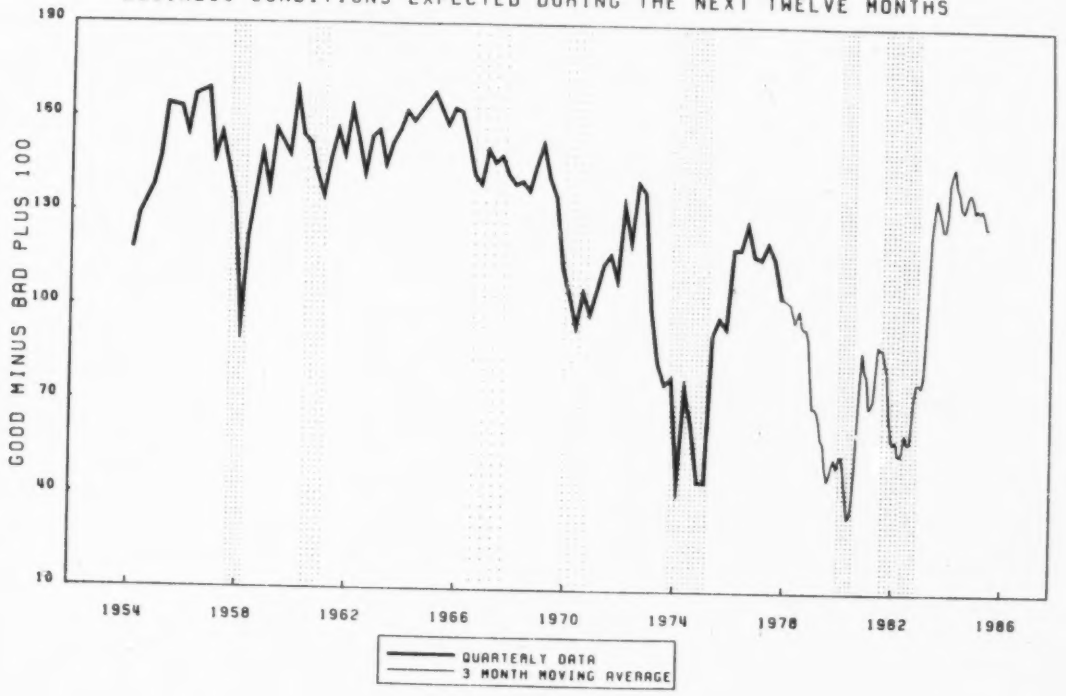


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIMES	60%	61%	62%	66%	60%	59%	59%	63%	62%	62%	58%	55%	59%
UNCERTAIN; GOOD & BAD	2	2	3	3	4	3	3	4	2	2	3	1	3
BAD TIMES	29	28	25	24	26	27	28	28	31	29	30	34	26
DON'T KNOW	6	6	7	6	6	7	7	4	3	5	6	6	5
NOT ASCERTAINED	3	3	3	1	4	4	3	1	2	2	3	4	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

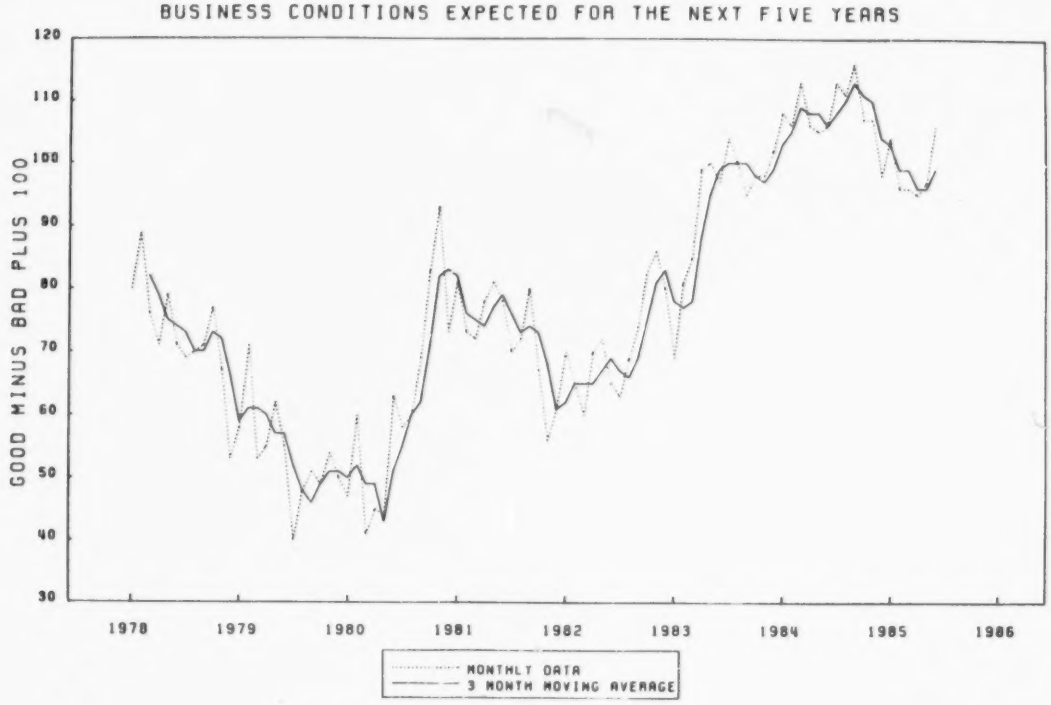


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

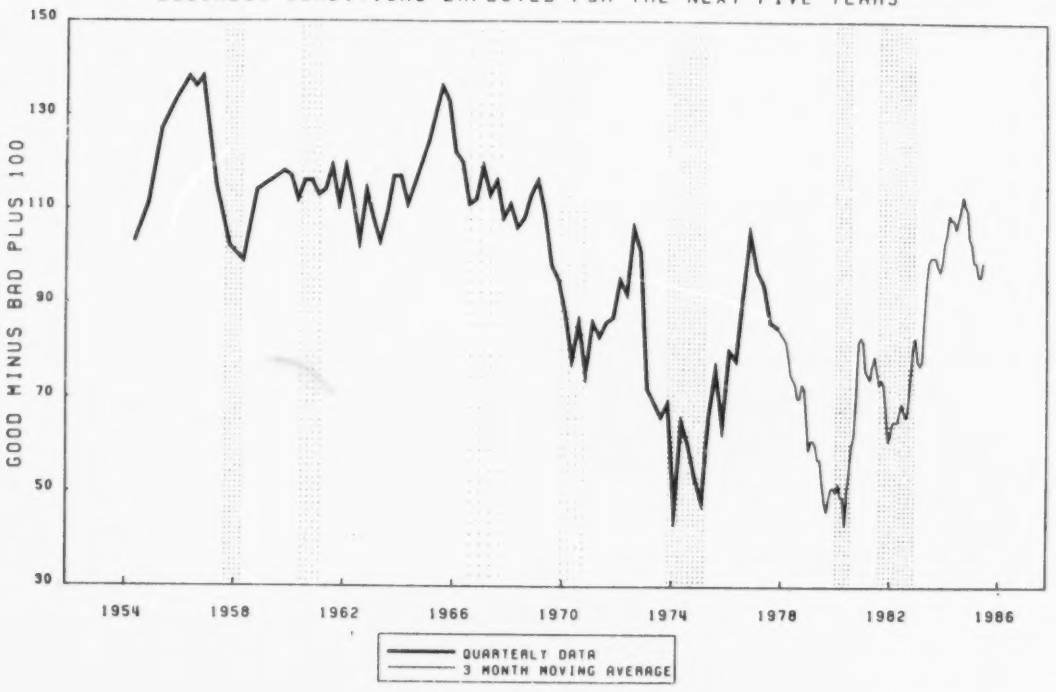


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIMES	42%	44%	47%	47%	43%	42%	39%	43%	41%	40%	39%	40%	43%
UNCERTAIN; GOOD & BAD	17	19	13	17	17	17	15	15	11	13	14	14	17
BAD TIMES	36	31	36	31	36	35	41	39	45	44	44	43	37
NOT ASCERTAINED	5	6	4	5	4	6	5	3	3	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES

EXPECTED CHANGE IN UNEMPLOYMENT

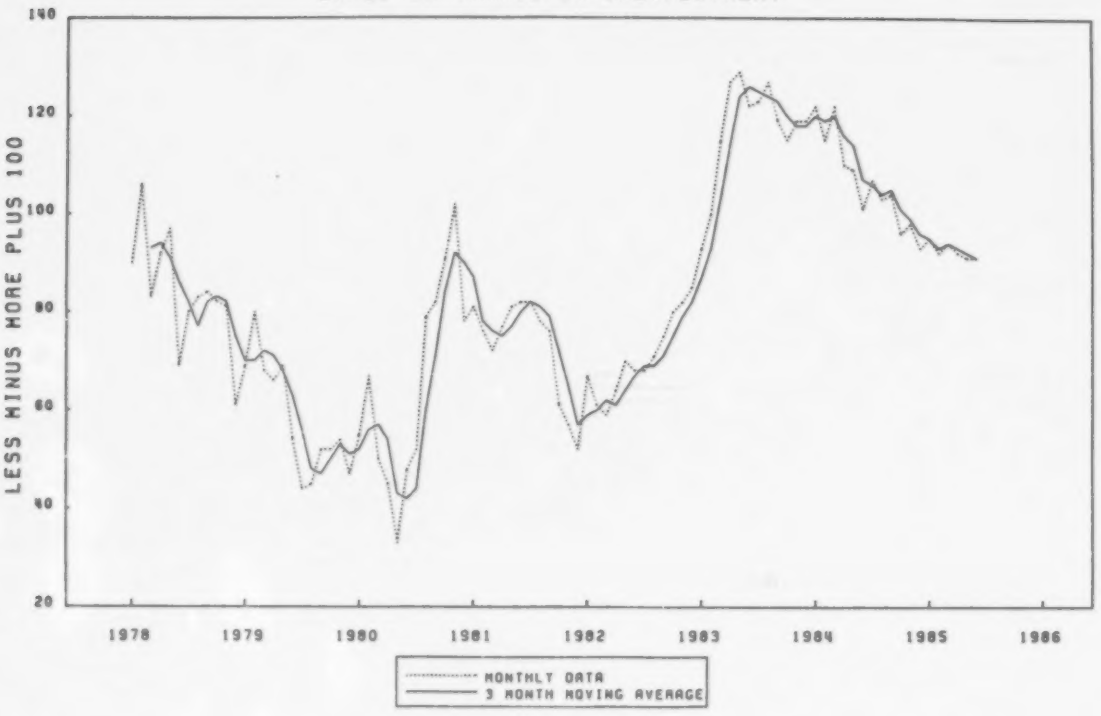


CHART 20 - HISTORICAL SERIES

EXPECTED CHANGE IN UNEMPLOYMENT

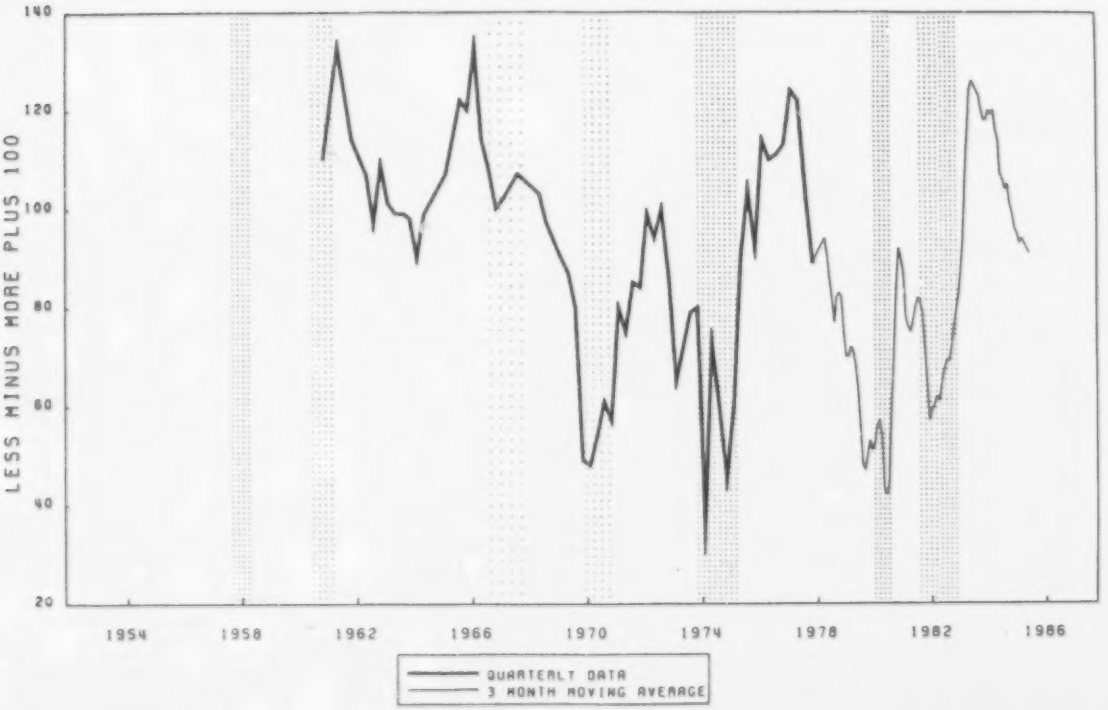


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
LESS	24%	26%	24%	26%	20%	22%	21%	20%	20%	23%	20%	19%	16%
SAME	52	53	54	50	54	52	50	54	50	47	50	52	58
MORE	23	19	21	22	24	24	28	25	28	29	28	28	25
DK,NA	1	2	1	2	2	2	1	1	2	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 21 - RECENT CHANGES

EXPECTED CHANGE IN INTEREST RATES

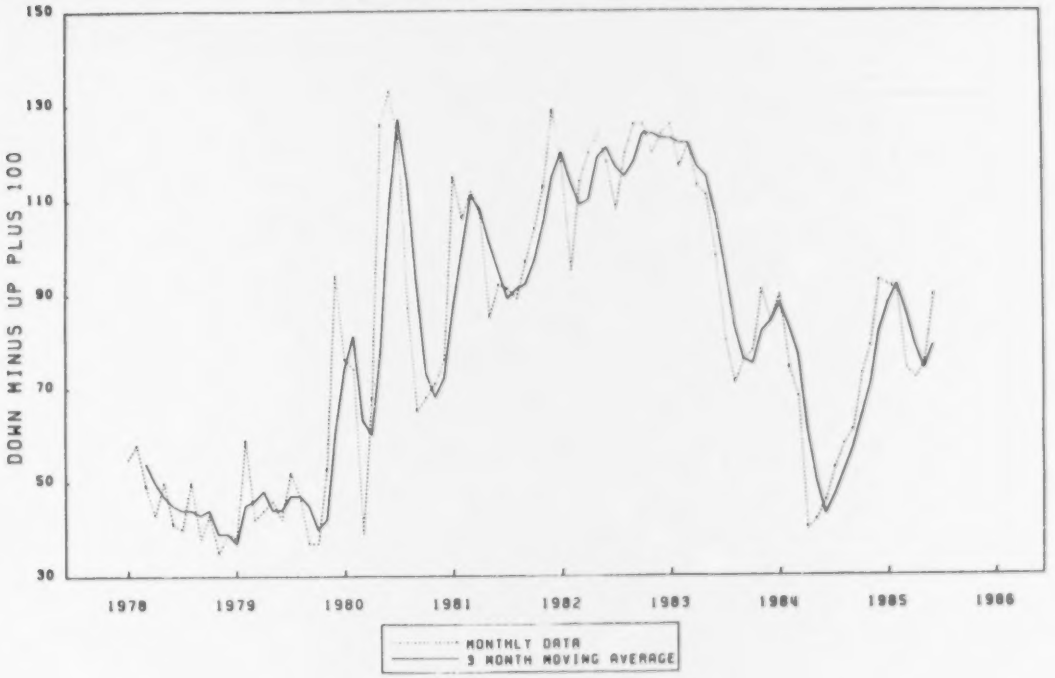


CHART 21 - HISTORICAL SERIES

EXPECTED CHANGE IN INTEREST RATES

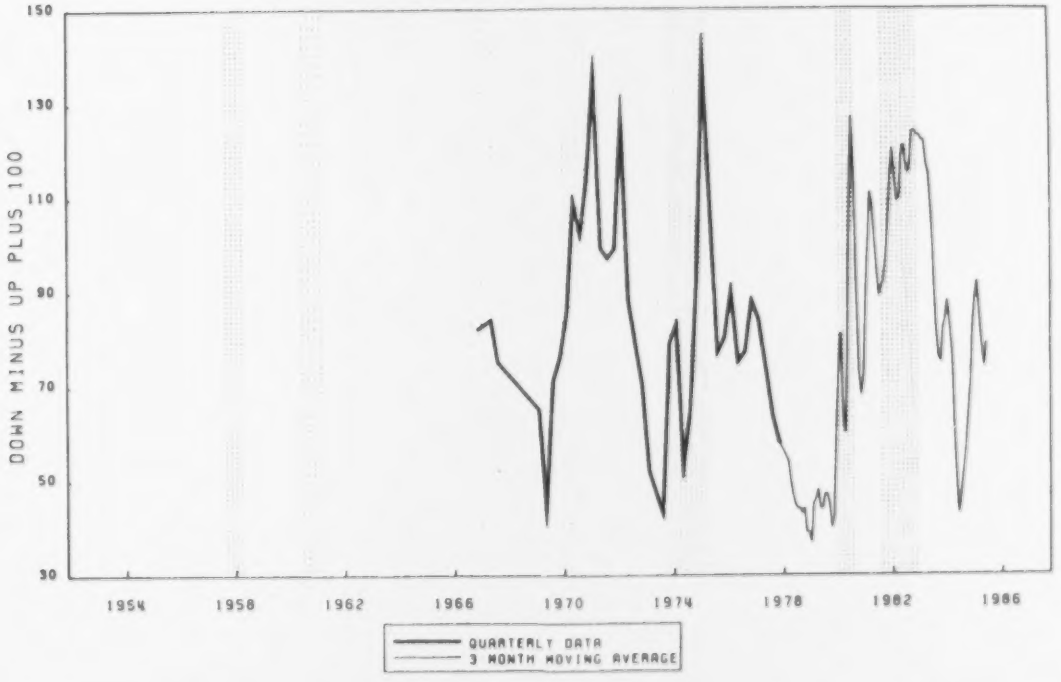


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GO UP	64%	58%	55%	52%	45%	44%	37%	36%	35%	45%	47%	44%	36%
STAY THE SAME	24	27	29	32	33	31	30	33	37	32	31	34	36
GO DOWN	10	11	13	13	18	23	30	28	26	19	19	19	26
DK,NA	2	4	3	3	4	2	3	3	2	4	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

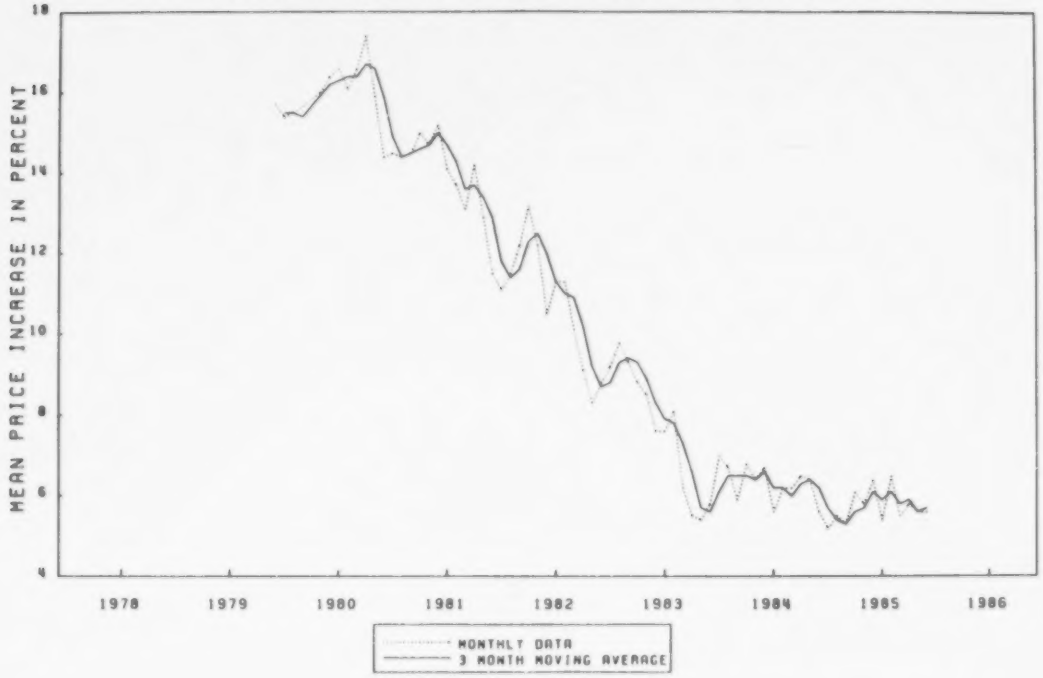


CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

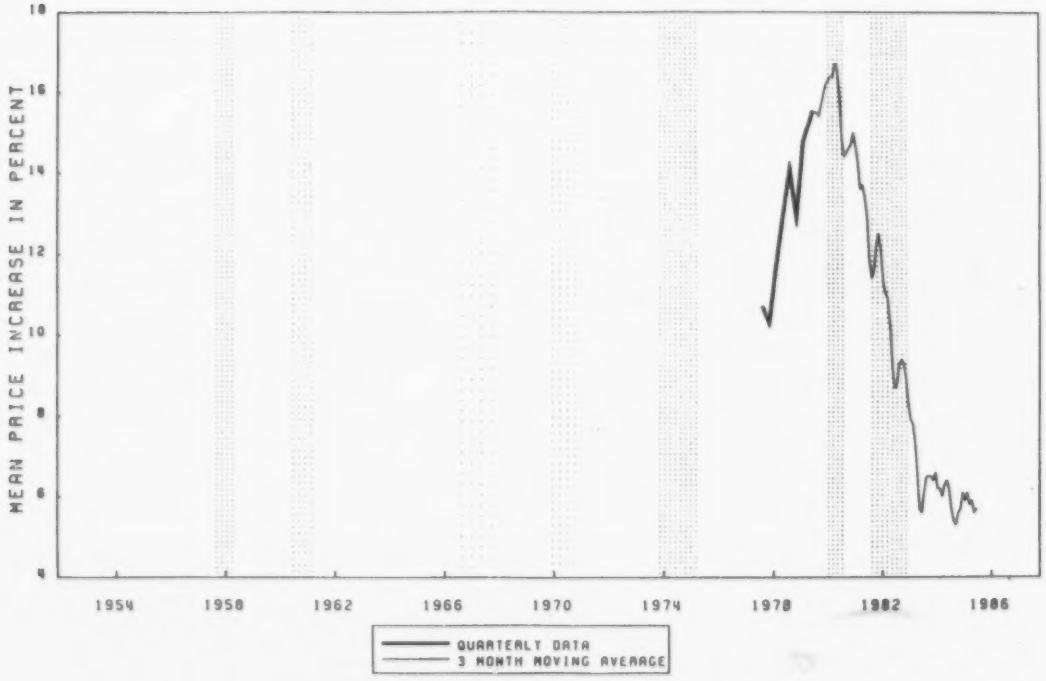


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
SAME OR DOWN	22%	27%	29%	29%	28%	27%	24%	25%	25%	28%	24%	23%	24%
GONE UP BY:													
1-2%	12	8	10	9	9	11	9	11	11	11	10	13	12
3-4%	17	17	12	16	15	15	14	17	16	18	17	18	18
5%	16	16	18	16	13	14	18	17	13	14	16	16	13
6-9%	8	8	8	7	7	5	6	7	8	5	8	7	9
10-14%	12	11	11	9	11	11	11	10	11	10	13	9	11
15% or more	8	8	7	8	11	10	10	8	11	9	8	9	9
DK how much up	5	4	5	6	5	6	7	5	4	5	4	4	3
DK,NA	*	1	*	*	1	1	1	*	1	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	5.2	5.5	5.3	6.1	5.8	6.4	5.4	6.5	5.5	5.8	5.6	5.6
VARIANCE	54	48	75	63	84	76	86	66	93	72	64	72	61
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

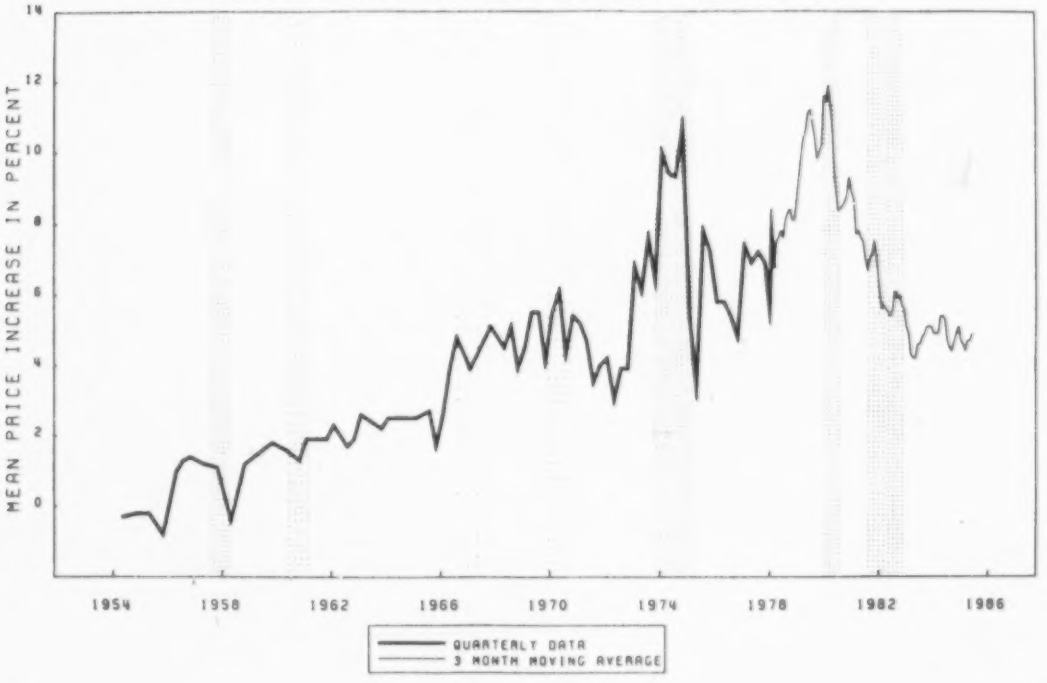


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
SAME OR DOWN	19%	23%	24%	24%	22%	23%	25%	26%	25%	26%	22%	20%	19%
WILL GO UP BY:													
1-2%	14	13	18	16	13	14	13	16	14	15	13	17	16
3-4%	16	17	15	19	15	17	17	20	19	19	20	20	21
5%	18	20	18	14	18	18	16	15	15	15	16	20	19
6-9%	11	8	6	8	9	6	9	6	6	6	8	6	6
10-14%	13	8	8	8	10	9	9	7	10	9	11	7	9
15% or more	4	5	5	4	7	7	5	4	6	6	6	6	6
DK how much up	4	3	5	4	4	4	4	4	4	4	3	2	2
DK,NA	1	3	1	3	2	2	2	2	1	*	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.8	4.5	4.6	4.2	5.3	5.1	4.8	4.1	4.8	4.3	5.0	4.7	5.0
VARIANCE	27	33	46	36	53	47	44	36	51	34	44	46	51
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
UNEMPLOYMENT	51%	51%	52%	54%	55%	59%	56%	60%	58%	59%	57%	61%	55%
BOTH EQUALLY SERIOUS	3	7	6	5	8	7	6	6	5	5	6	6	4
INFLATION	44	40	39	38	35	33	35	32	33	34	34	31	38
DK,NA	2	2	3	3	2	1	3	2	4	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

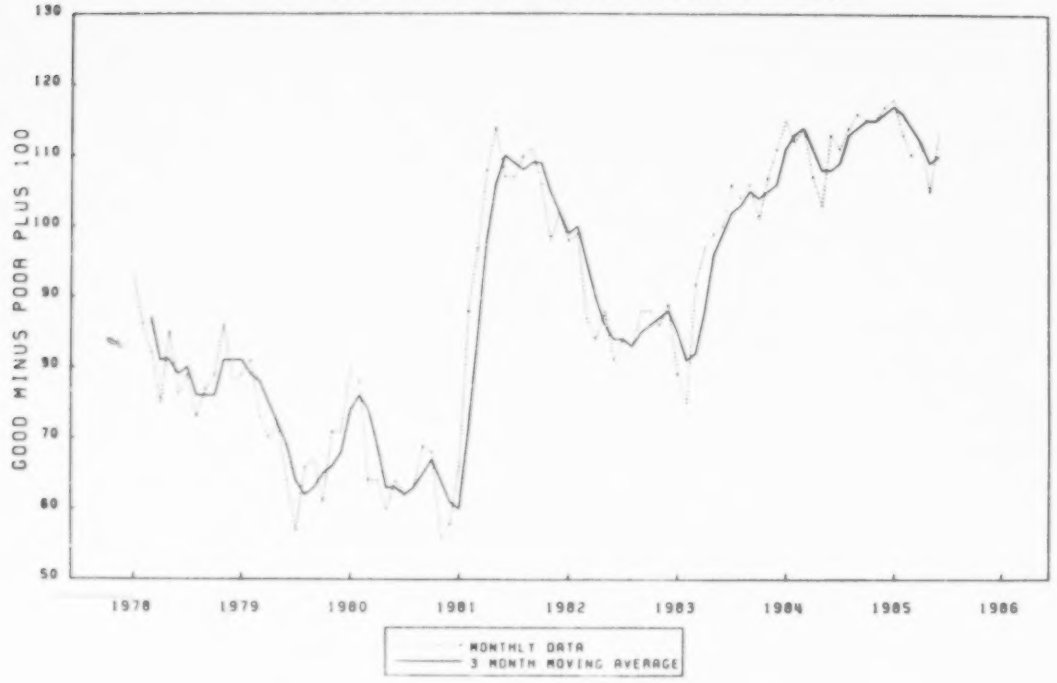


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

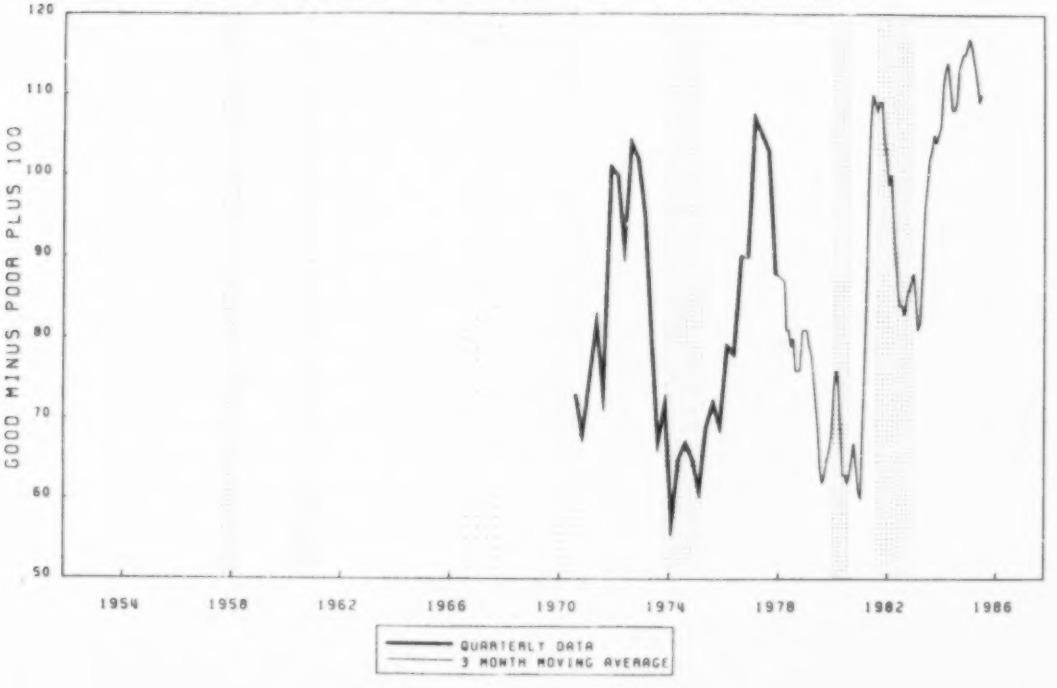


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
A GOOD JOB	31%	30%	33%	35%	36%	32%	33%	34%	33%	32%	30%	26%	29%
ONLY FAIR	49	48	46	44	41	50	49	49	46	43	50	51	53
A POOR JOB	18	19	19	19	21	17	16	16	20	22	18	21	16
DK,NA	2	3	2	2	2	1	2	1	1	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

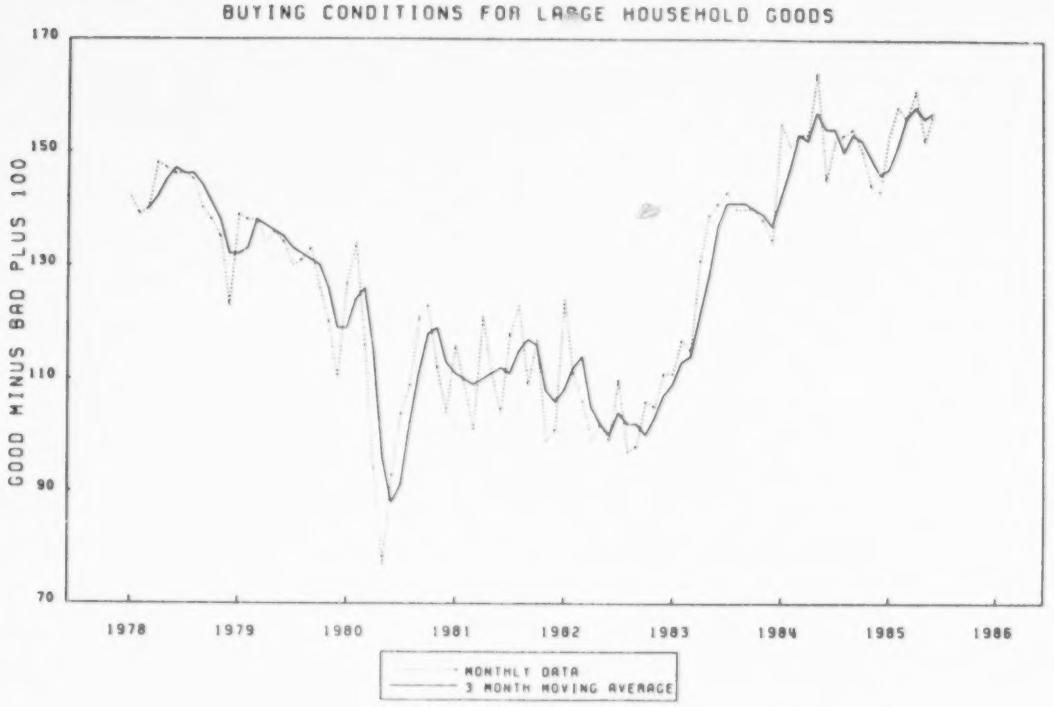


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

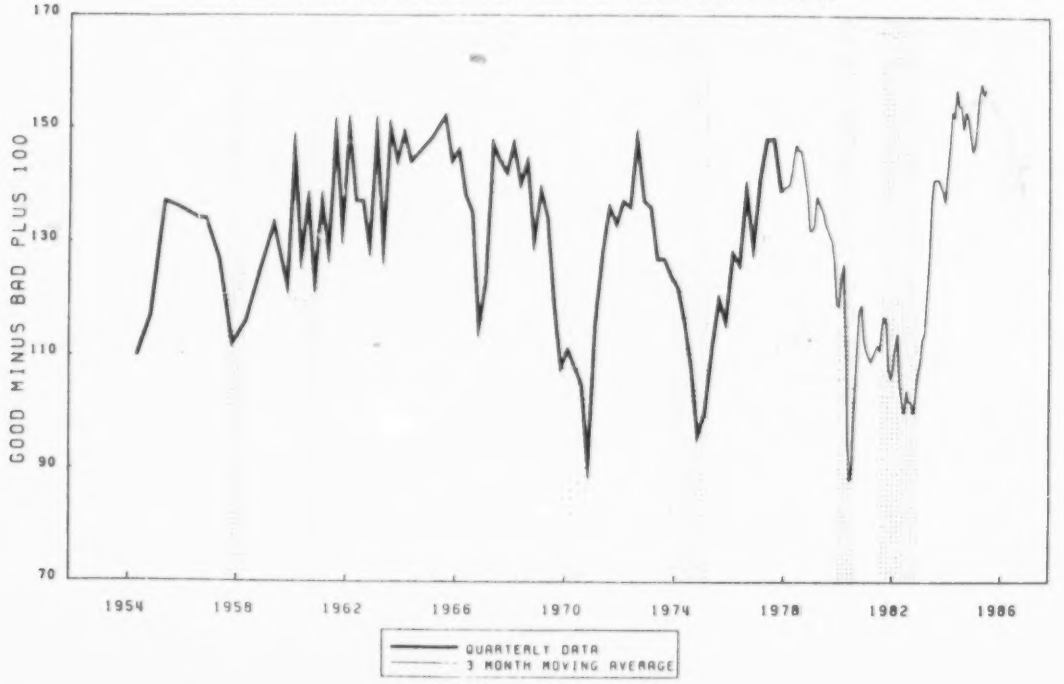


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY	67%	71%	72%	72%	70%	67%	67%	73%	75%	74%	77%	72%	74%
UNCERTAIN, DEPENDS	11	10	9	10	10	10	9	7	8	8	7	8	9
BAD TIME TO BUY	22	19	19	18	20	23	24	20	17	18	16	20	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

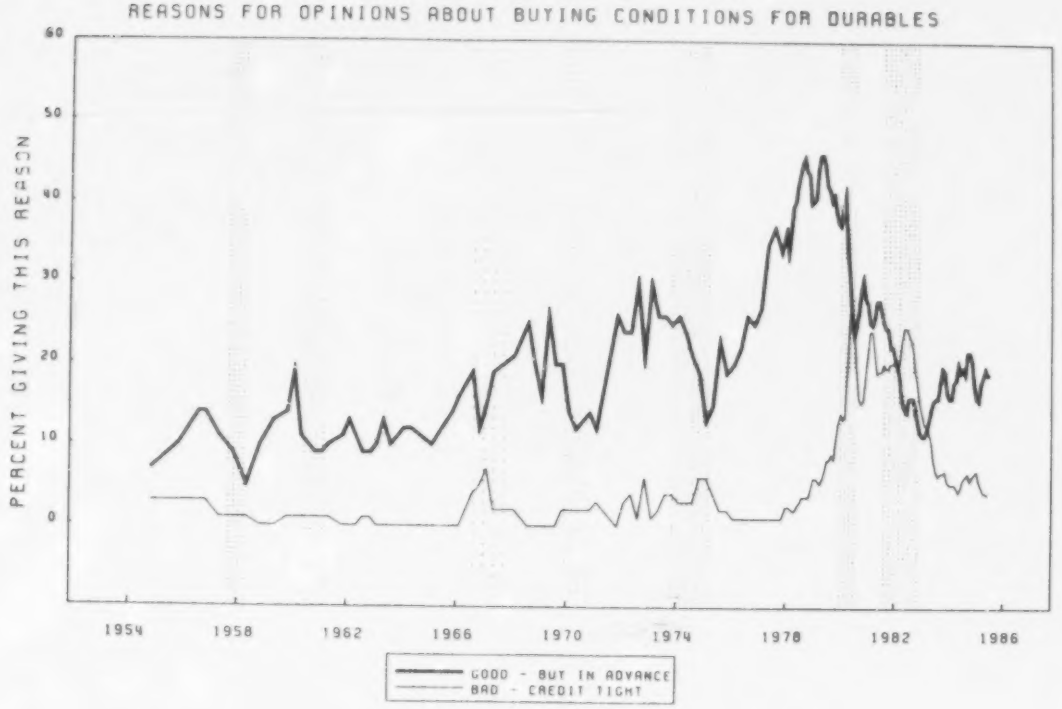


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

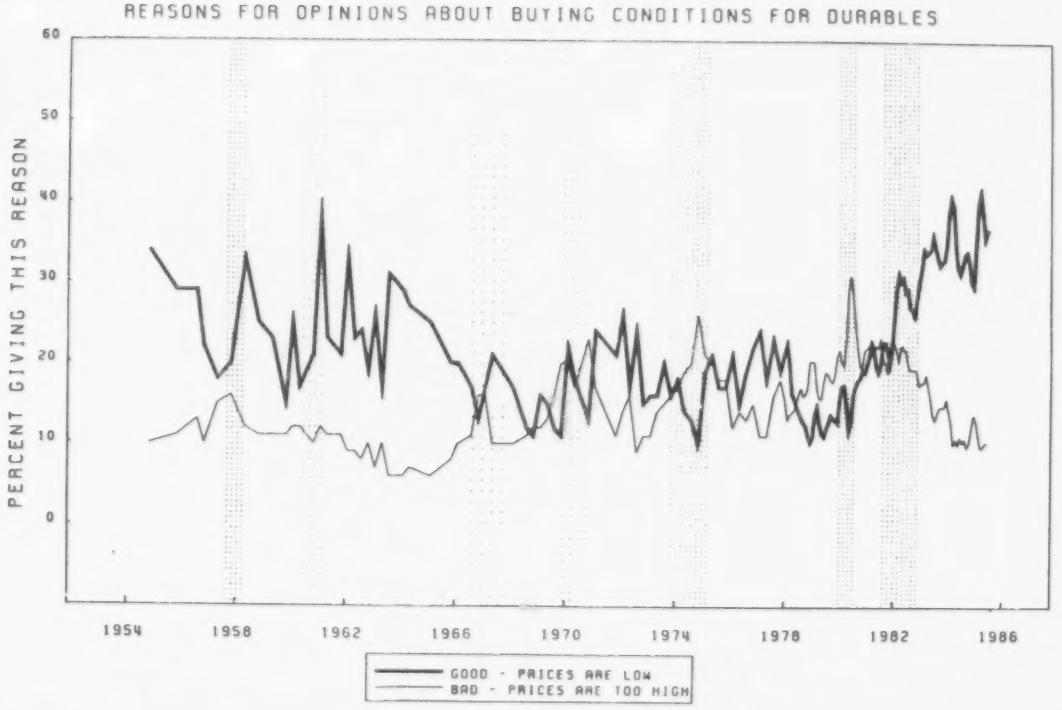


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	33%	35%	34%	29%	28%	32%	45%	43%	36%	37%	34%	39%
Prices won't come down; are going higher	16	21	20	24	21	17	15	16	16	22	18	19	20
Interest rates low; credit is easy	11	10	8	8	11	11	10	11	11	10	13	11	13
BAD TIME TO BUY:													
Prices are high	13	10	9	10	12	14	15	10	9	10	10	11	10
Interest rates are high; credit is tight	5	8	6	6	5	8	7	6	4	5	4	4	4
Lack of purchasing power	7	5	7	7	7	7	7	10	6	7	6	9	7

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

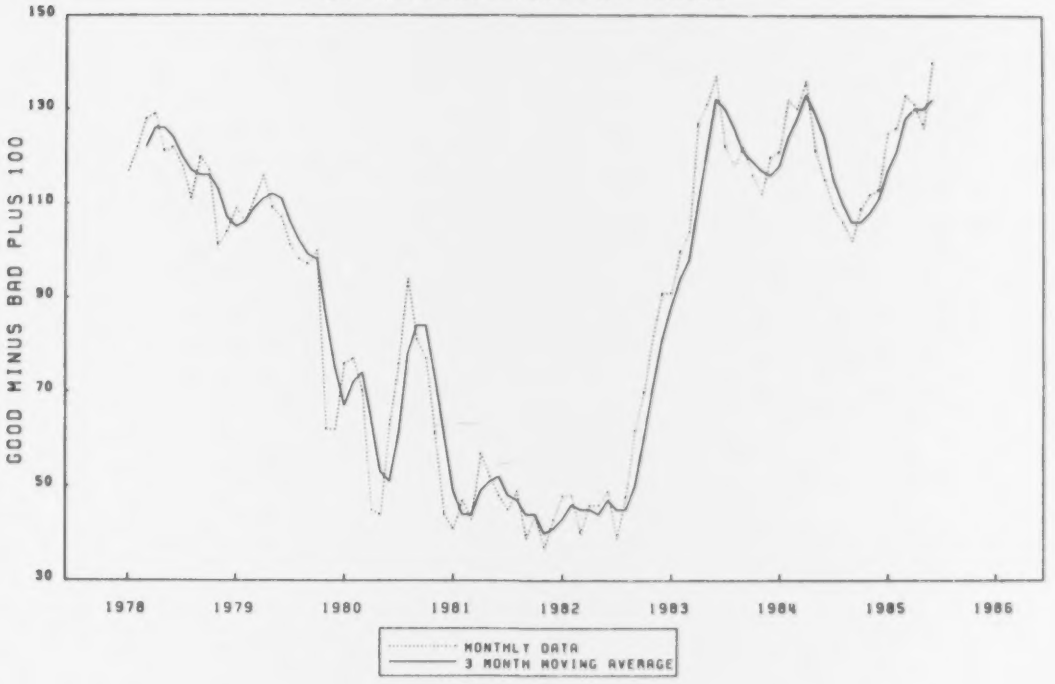


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

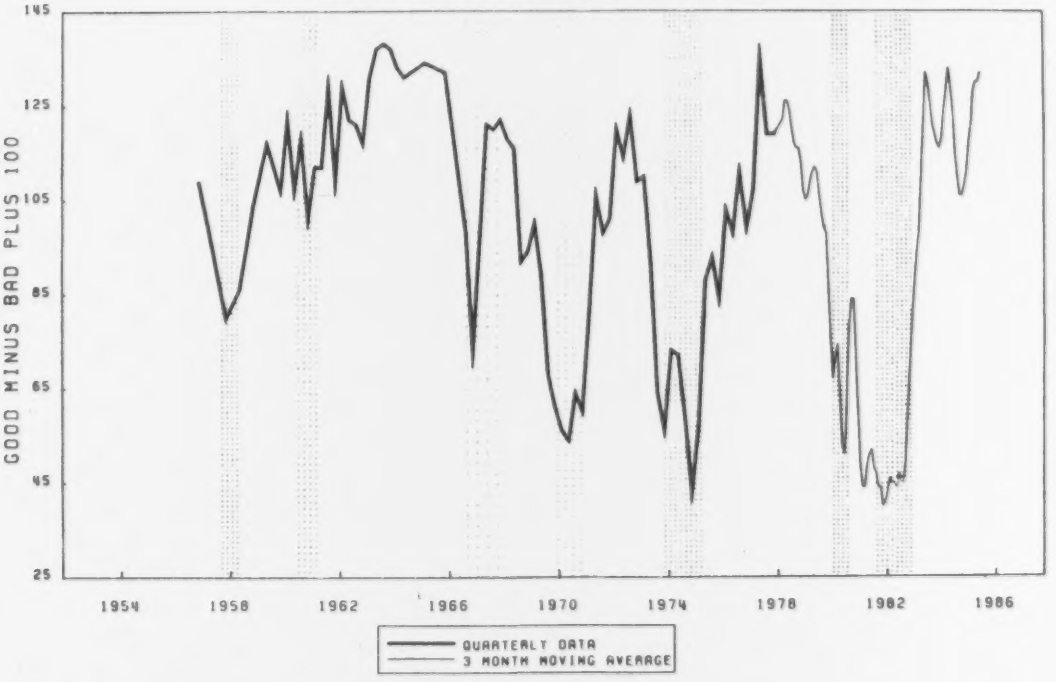


TABLE 28

BUYING CONDITIONS FOR HOUSES

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY	55%	52%	50%	48%	52%	54%	54%	61%	61%	64%	64%	61%	67%
UNCERTAIN, DEPENDS	5	5	6	6	5	4	5	3	4	5	3	4	6
BAD TIME TO BUY	40	43	44	46	43	42	41	36	35	31	33	35	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

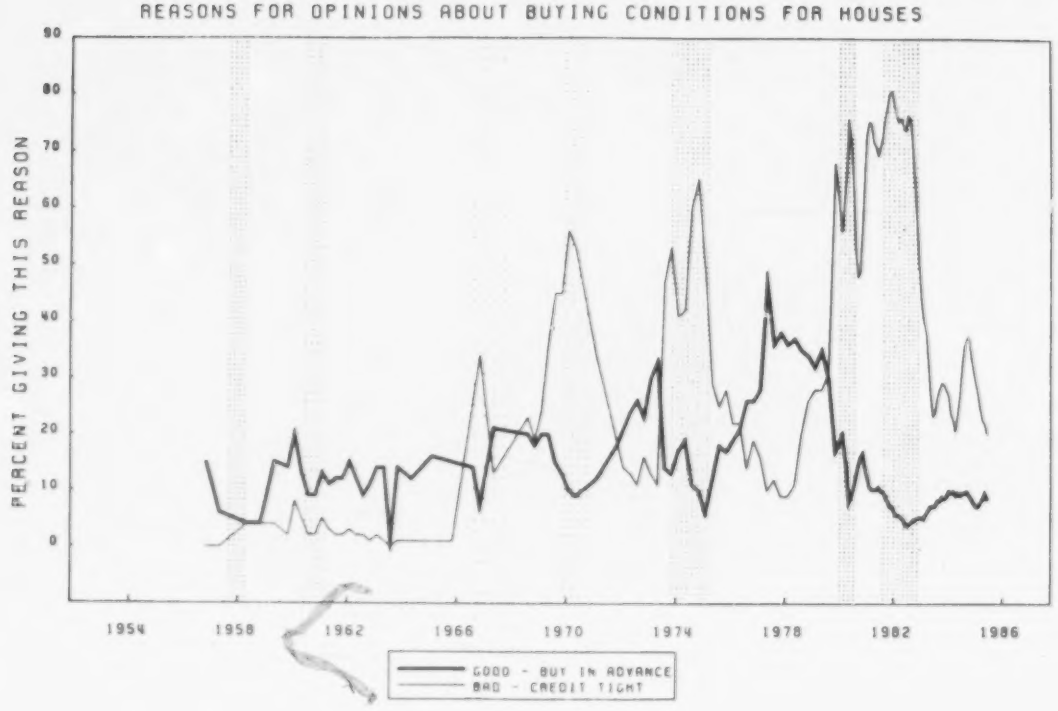


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

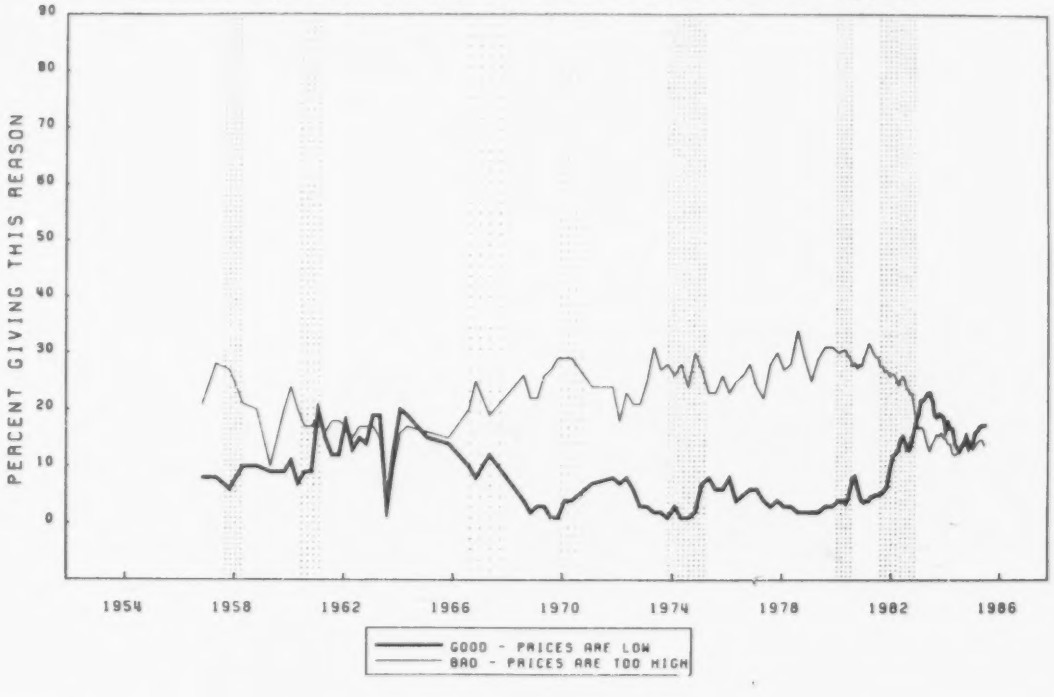


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	13%	15%	14%	15%	11%	17%	15%	16%	18%	17%	17%	18%
Prices won't come down; are going higher	9	11	9	10	9	7	8	7	7	10	9	10	7
Interest rates low; credit is easy	38	37	35	34	35	44	38	49	50	48	47	43	56
Good investment	8	5	4	7	5	7	5	6	6	7	6	6	6
BAD TIME TO BUY:													
Prices are high	14	12	16	16	16	12	13	14	14	15	15	14	12
Interest rates are high; credit is tight	33	36	40	37	33	31	30	27	25	22	21	23	17
Lack of purchasing power	10	11	11	11	10	13	13	12	11	9	12	16	9

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

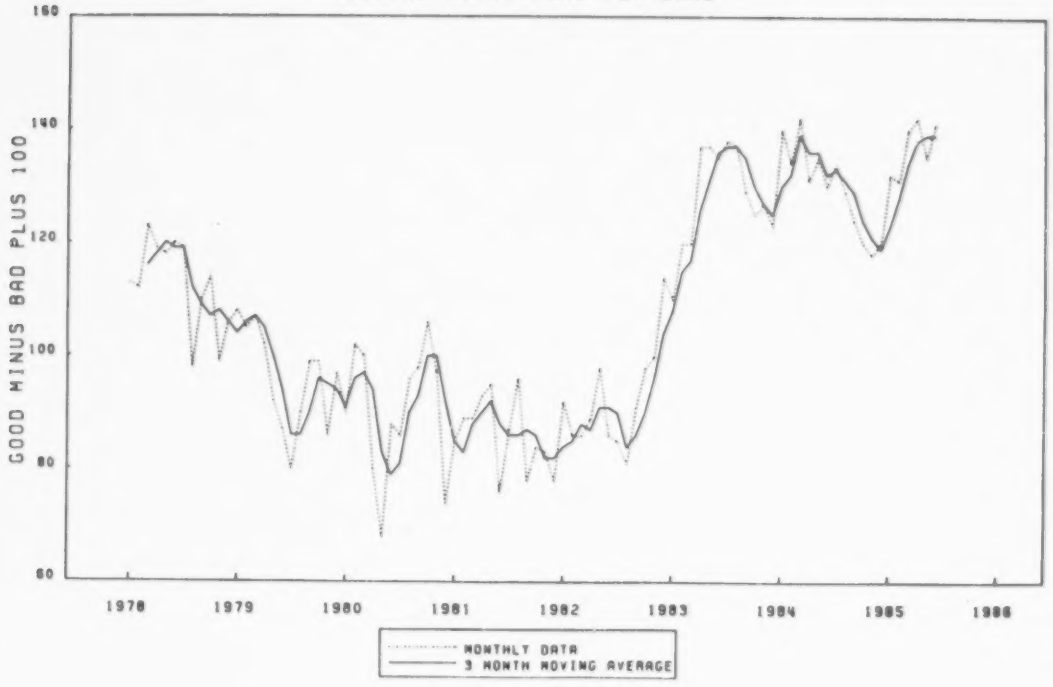


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

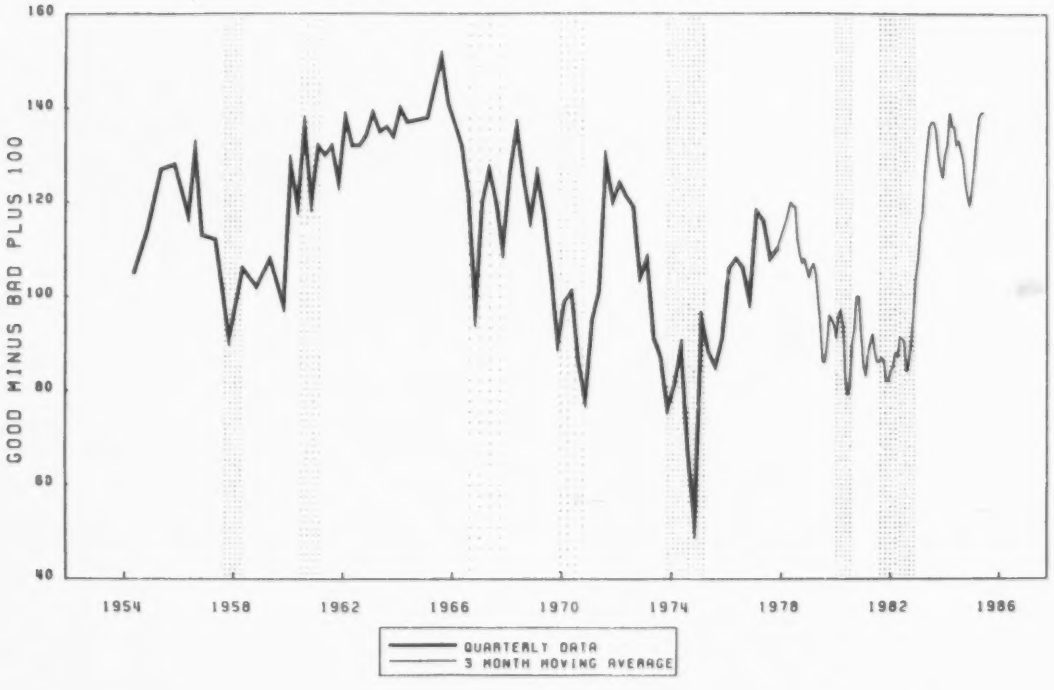


TABLE 30

BUYING CONDITIONS FOR CARS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY	60%	62%	59%	59%	54%	55%	55%	62%	61%	67%	68%	65%	67%
UNCERTAIN; DEPENDS	10	10	11	6	12	8	10	8	9	6	6	5	7
BAD TIME TO BUY	30	28	30	35	34	37	35	30	30	27	26	30	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

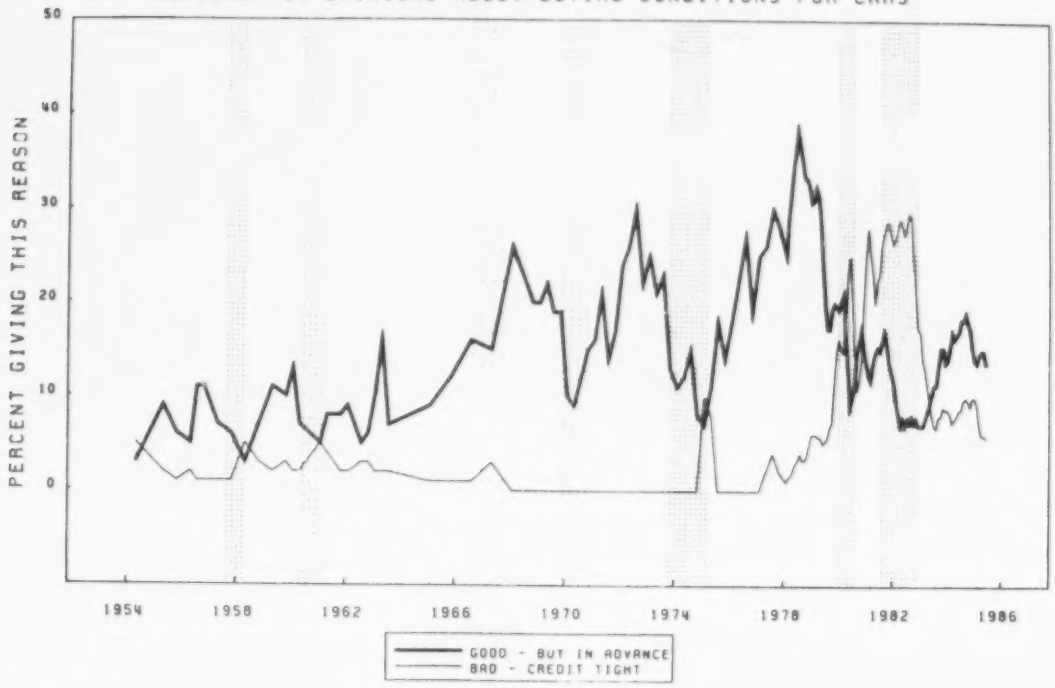


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

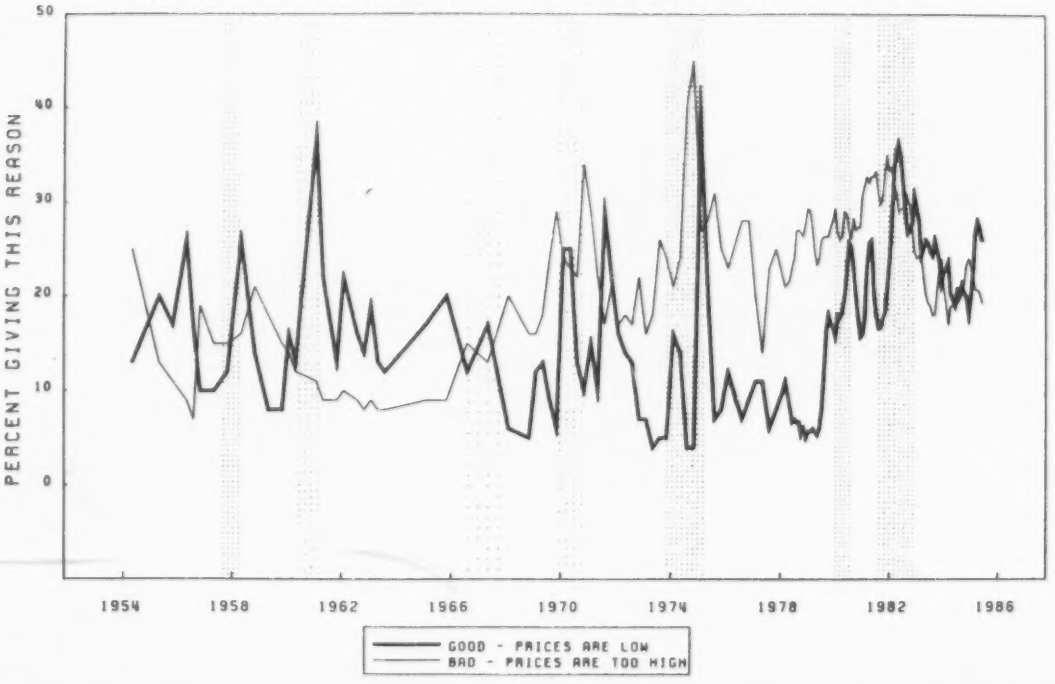


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	21%	19%	24%	18%	18%	18%	24%	26%	30%	28%	24%	26%
Prices won't come down; are going higher	18	20	17	20	17	15	14	13	14	17	14	14	13
Interest rates low; credit is easy	18	24	17	15	14	18	15	23	24	23	25	28	35
New fuel efficient models	1	1	2	1	2	*	2	*	1	1	1	1	1
BAD TIME TO BUY:													
Prices are high	20	20	19	22	23	25	24	21	21	20	21	20	17
Interest rates are high; credit is tight	8	9	12	9	8	10	12	8	8	5	5	8	4
Lack of purchasing power	4	4	5	6	6	8	7	7	6	6	4	6	6
Price of gas; shortages	*	*	1	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	2	4	4	3	3	5	4	4	4	3	4	3	4

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

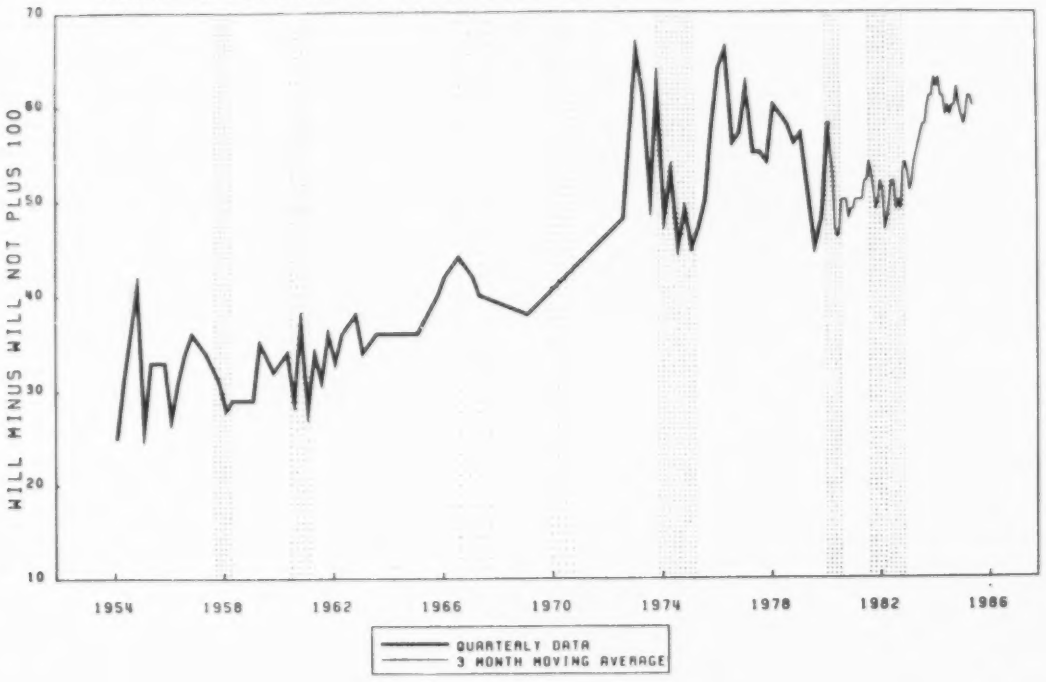


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
PROBABLY WILL BUY	20%	20%	21%	22%	21%	21%	19%	20%	19%	20%	24%	18%	19%
CHANCES ARE EVEN	9	9	7	8	8	9	9	9	9	8	7	9	7
PROBABLY WILL NOT BUY	61	59	64	60	60	59	63	60	62	61	56	61	64
DK,NA	10	12	8	10	11	11	9	11	10	11	13	12	10
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	680	656	693	690	706	710	704	640	655	653	675	661	652

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	29%	29%	28%	30%	29%	30%	28%	29%	28%	28%	31%	27%	26%
PURCHASE TYPE:													
Buy new	16	15	15	14	15	15	13	17	15	14	17	14	14
Buy used	11	12	11	13	12	13	13	11	11	13	12	12	10
Lease	1	2	1	2	2	1	1	1	1	1	1	1	2
DK,NA	1	*	1	1	*	1	1	*	1	*	1	*	*
PURCHASE TIMING:													
Next 3 months	2	7	3	1	6	5	3	5	4	2	8	5	1
Next 4-6 months	8	6	5	8	6	7	6	8	9	8	9	7	8
Next 7-9 months	9	3	4	5	7	7	10	7	8	11	6	7	6
10 months or more	4	7	8	10	4	8	7	5	4	5	3	5	6
DK,NA	6	6	8	6	6	3	2	4	3	2	5	3	5

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	June 1984	July 1984	Aug. 1984	Sept 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	June 1985
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	61%	59%	64%	60%	60%	59%	63%	60%	62%	61%	56%	61%	64%
PURCHASE TYPE:													
Would buy new	36	35	33	34	31	33	34	35	32	35	34	36	37
Would buy used	24	22	29	25	27	25	28	25	28	25	21	25	26
DK,NA	1	2	2	1	2	1	1	*	2	1	1	*	1
PURCHASE TIMING:													
Less than 2 years	7	5	8	5	7	7	7	8	9	6	5	7	8
2 years	21	18	25	21	21	20	23	18	19	21	21	21	24
3 years	8	10	8	11	10	9	10	9	10	10	11	13	10
4 years or more	17	18	15	17	16	17	15	19	17	19	14	16	16
Indefinite	2	3	3	2	1	2	3	2	2	2	1	1	2
DK,NA	6	5	5	4	5	4	5	4	5	3	4	3	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

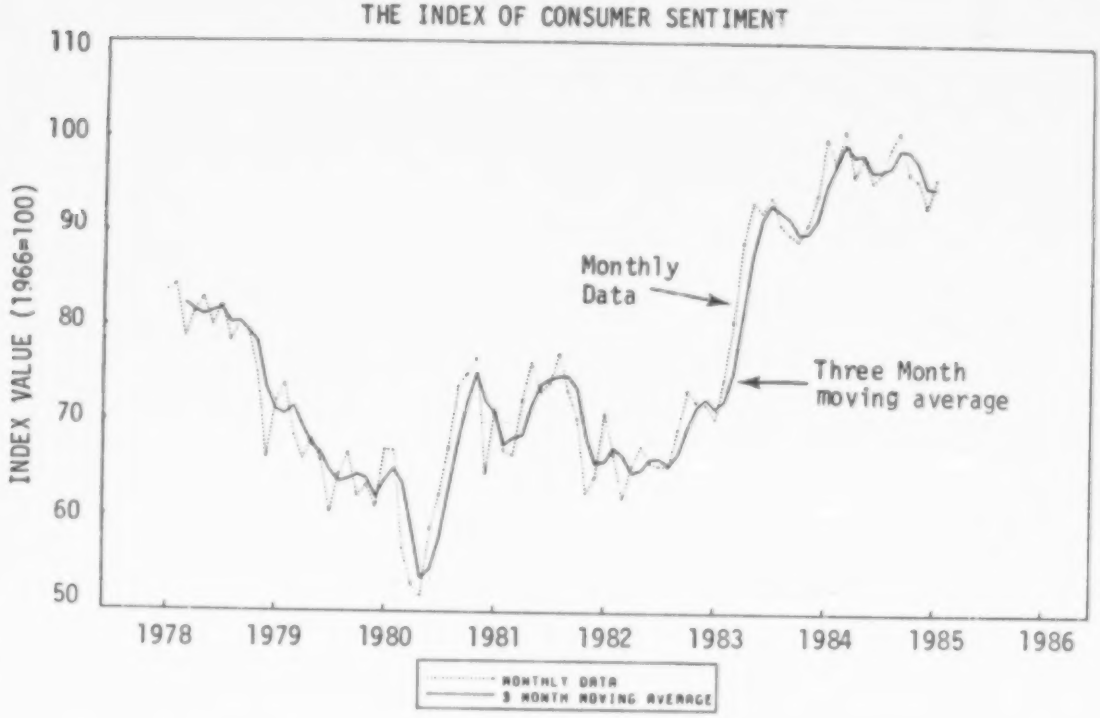
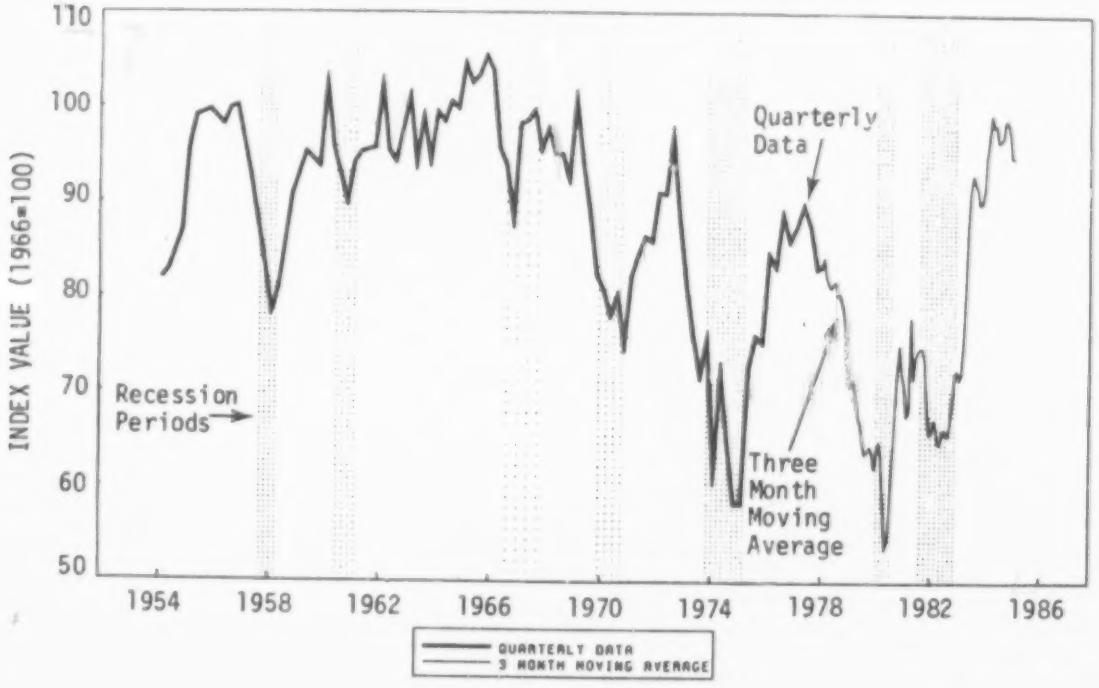


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).